

# **Rates Remission and Postponement Policy**

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# Introduction

This policy is adopted pursuant to sections 102, 109 and 110 of the Local Government Act 2002 (LGA).

The general objectives sought to be achieved by this policy are:

1. The vision and goals of the Community Outcomes, particularly those supporting community development, voluntary initiatives and the protection of the natural environment, and
2. Equity and efficiency in the administration of the rating system.

Section 102(3A) of the LGA states that the policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy generally supports the principles as it enables remissions of rates:

- On land owned by Māori where the criteria are met
- On land containing significant natural features, worthy of conservation and protection

It does not, however, apply to Māori freehold land, as such land is considered and dealt with under Council's separate Policy on the remission of rates on Māori freehold land.

Applications can be made either by the ratepayer or by the Council on behalf of the ratepayer. Applications meeting the conditions and criteria laid out in this policy will be considered, on their own merits, with the outcome a matter for Council's sole discretion.

## How decisions will be made:

Applications will be considered and determined for all remissions (except for the Special Circumstances Remission) and rates postponement by:

1. Senior Rates Officer, Financial Services Manager, Financial Controller, or Group Manager Organisation Performance (or equivalent positions) – remissions up to a value of \$2,500.
2. Chief Executive – remissions up to a value of \$10,000.
3. Council – remissions above \$10,000.

The policy provides for the following classes of rate remissions:

## Section 1 – Rates Remissions

- Part 1 Community support groups
- Part 2 Voluntarily protected land
- Part 3 Penalties on rates
- Part 4 Excessive water charges
- Part 5 Remnant land
- Part 6 Rating units in industrial and commercial areas used for residential purposes
- Part 7 Land Used for Primary Industry and Rural Residential purposes in areas that have been rezoned as Residential and Business Zones
- Part 8 Small rate balances
- Part 9 Targeted rates on non-rateable land
- Part 10 Properties affected by natural hazard disasters or emergency events
- Part 11 Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property
- Part 12 Bare land
- Part 13 Council Owned Utilities
- Part 14 Contiguous rating units not in common ownership
- Part 15 Property under development or earthquake strengthening
- Part 16 Rating units containing two or more Separately Used or Inhabited Parts (SUIP)
- Part 17 Special Circumstances Remission

## Section 2 – Rates Postponement

# Section 1 – Rates Remissions

## Part 1: Remission of Rates for Community Support Groups

### (a) Objective

To facilitate the ongoing provision of non-governmental, not-for-profit community support services to the residents of the District.

### (b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- be owned and occupied by a community support group;
- used primarily for the provision of community support services to the general public; and
- (except as provided in the next paragraph) not receiving any other form of rating relief.

Rating units that are 50% non-rateable under Part 2 of Schedule 1 of the LGRA, will normally have a 100% remission of rates other than water and wastewater rates over that part of the land.

A rating unit that meets the criteria of 50% non-rateable under Part 2 of Schedule 1 of the LGRA but is otherwise excluded due to a liquor license, may also apply for a remission under this policy.

Other matters taken into account in determining whether a rating unit qualifies for remission will include:

- the level of rates assessed on the rating unit;
- the extent to which the primary purpose of the ratepayer is to provide services to disadvantaged groups (including children, youth, young families, aged people and economically-disadvantaged people);
- the impact of the ratepayer's activities on the social, cultural, economic or environmental well-being of the District;
- the number of members and/or clients;
- history of service to the residents of the District; and
- the rating status of similar groups.

Applications must be in writing, supported by:

- statement of objectives of the group;
- description of status and governance structure of the group;
- financial accounts;
- information on activities and programmes; and
- information on membership or clients.

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered and applied from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

**(c) Process**

Each application will be considered on its merits, and if approved the value of the remission will be up to 100% of all general and targeted rates generally applied across the District except water and wastewater. The ratepayer will be informed of the outcome of the application in writing.

## Part 2: Remission of Rates on Voluntarily Protected Land

### (a) Objective

To encourage and promote the conservation and protection of significant natural features.

### (b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit or part thereof must:

- contain significant natural features worthy of conservation and protection
- allow for public access and enjoyment of said natural features and;
- not be receiving any other form of rating relief.

The degree to which such significant natural feature inhibit the economic utilisation of the land will also be taken into consideration.

Applications must be in writing, supported by documentary evidence of the protected status. Applications must be received prior to the commencement of the rating year.

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

### (c) Process

Each application will be considered on its merits and if approved the value of the remission will be up to 50% of general and targeted rates except Water and Wastewater rates.

The Council will arrange an apportionment of the rating value of the rating unit between the area covered by the application and the balance for this purpose. The ratepayer will be informed of the outcome of the application in writing.

## Part 3: Remission of Penalties on Rates

### (a) Objective

The objective of the Remission of Penalties is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date, primarily due to circumstances outside the ratepayer's control.

### (b) Conditions and Criteria

Remission of penalties on late payment of rates may be made when it is considered just and equitable to do so. In determining justice and equity, one or more of the following criteria shall be applied.

- a. Where there exists a history of regular, punctual payment over the last two years (or back to purchase date if the rating unit has been owned for less than two years) and payment is made within 10 days following the ratepayer being made aware of the non-payment, a one-off reduction of instalment penalties may be made.
- b. Where an agreed payment plan is in place, penalties may be suppressed or reduced, where the ratepayer complies with the terms of the agreed payment plan which includes payment by direct debit. In the event that the agreement is not maintained, Council reserves the right to levy future penalties.
- c. Where the rates instalment was issued in the name of a previous property owner. The rating unit has a new owner who has been given insufficient notice of invoice due date.
- d. Where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment, on compassionate grounds.
- e. Where an error has been made on the part of the Council staff or arising through error in the general processing or incorrect rates being applied which has subsequently resulted in a penalty charge being imposed.

### (c) Process

- a. A ratepayer may request in writing that the penalty applied for late payment be remitted or the Council may remit at its discretion.
- b. Supporting information may be requested at Council's discretion in determining the application.
- c. Each application will be considered on its merits, and if approved, the value of the remission may be all or part of any penalties incurred.

## Part 4: Remission of Excessive Water Charges

### (a) Objective

To enable Council to act fairly, reasonably and consistently and assist ratepayers who have excessively high water rates due to a fault in the internal reticulation serving their rating unit.

### (b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must have incurred excessive water charges attributable to a fault in the internal reticulation serving the rating unit.

Applications must be made in writing, with verification that the fault has been rectified (e.g. a plumber's bill or written confirmation from the owner that the fault/leak has been rectified if no plumbers were involved).

### (c) Process

The Council will take into account the following when making an assessment about whether the water charge is excessive:

- the charges for normal levels of water consumption; and
- the time taken to have the fault repaired; and
- whether a remission has previously been granted for excessive charges due to a fault/leak

Each application will be considered on its merits, and if approved the value of the remission will be 50% of the value of the excessive consumption.

For properties that have had a fault/leak identified within 3 months of a new meter installation, the remission amount will be up to 100% of the value of the excessive consumption.

The ratepayer will be informed of the outcome of the application in writing.



## Part 5: Remission of Rates on Remnant Land

### (a) Objective

To enable Council to act fairly and equitably to ratepayers of land determined for these purposes to be remnant land.

### (b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- comprise a piece of land that does not warrant the assessment or invoicing of rates
- not be the subject of any other form of rating relief.

Matters taken into account in determining whether a rating unit qualifies for remission as remnant land, include:

Matter taken into account	Example for guidance
Area	Only a few square metres
Location	Remote, landlocked
History	Unintended remnant of subdivision
Ownership	Indeterminate
Ratable Value	Nominal
Potential Uses	Nil

If made by a ratepayer, applications must be in writing. Otherwise, remissions can be initiated by an Officer of the Council.

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

Once approved, remissions will apply for future financial years until such time as the land is sold, subdivided or there is otherwise a change in circumstances.

### (c) Process

Each application will be considered on its merits, and if approved the value of the remission will be the whole of the rates that would otherwise be assessed on the rating unit. If an application is made by a ratepayer, the outcome will be informed in writing.

## **Part 6: Remission of Rates on Rating Units in Industrial and Commercial Areas Used for Residential Purposes**

### **(a) Objective**

To ensure that owners of rating units situated in commercial or industrial areas, that have been rezoned, are not charged rates based on a commercial valuation basis if the property is still used for residential purposes.

### **(b) Conditions and Criteria**

To qualify for consideration for remission under this part of the policy the rating unit must:

- be situated within an area of land that has been zoned for commercial or industrial use.
- have an excessive rateable value in comparison to similar residential rating units in the vicinity; and
- not be the subject of any other form of rating relief.

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July.

Applications will not be backdated. Applications must be made in writing.

Ratepayers can determine the zoning of their property by inspecting the District Plan, copies of which are available from the Levin office, Te Takeretanga o Kura-hau-pō and the Shannon and Foxton Libraries. Alternatively the District Plan is available for viewing on the Council website [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz).

### **(c) Process**

Each application will be considered on its merits and the amount of the remission will be at the Council's sole discretion, based on the assessed difference in valuation between the rating unit in question and similar properties which are not affected by the relevant zoning.

The ratepayer will be informed of the outcome of the application in writing.

## **Part 7: Remission on Land Used for Primary Industry and Rural Lifestyle purposes in areas that have been rezoned as Residential and Business Zones**

### **(a) Objective**

To provide rates relief in respect of land used for primary industry and rural lifestyle purposes where rating units are greater than 659m<sup>2</sup> (or rating units, including residential use rating units, that are able to be subdivided under the operative District Plan) where the Council is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.

To preserve uniformity and equitable relativity with comparable parcels of land used for primary production and rural lifestyle purpose land, that is able to be subdivided, in the district where the valuations do not contain any “potential value”.

### **(b) Conditions and criteria**

The Council will remit value based rates on land used for primary industry and rural lifestyle rating units greater than 659m<sup>2</sup> and rating units, including residential use rating units, that are able to be subdivided creating saleable lots under the operative District Plan as a Controlled Activity in the Residential, Greenbelt Residential, Commercial and Industrial zones or in the case of the Greenbelt Residential (Foxton Beach North Overlay) Zone as a Limited Discretionary Activity, where it is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.

1. For the purposes of this policy, “land used for primary industry” means land that is classified by the Office of the Valuer General as being used for primary industry under Clause C.3.4 primary Level use code 1 in Appendix C of the Rating Valuation Rules 2008, is used exclusively or principally for agricultural, horticultural, or other pastoral purposes or for the keeping of bees or poultry or other livestock; and “farming purposes” has a corresponding meaning. This may include land used for dairy farming, stock fattening, arable farming, storage of livestock, market gardens and orchards, specialist livestock, forestry, mineral extraction and vacant/idle land.
2. For the purposes of this policy, “land used for Rural Lifestyle purposes” means land that is classified by the Office of the Valuer General as being used for lifestyle use under Clause C.3.4 primary Level use code 2 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties in rural areas or rural lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.
3. For the purposes of this policy, “land used for Residential purposes” means land that is classified by the Office of the Valuer General as being used for residential use under Clause C.3.4 primary Level use code 9 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties formerly zoned as rural or lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.
4. Rating units for which a subdivision consent has been approved or lodged and under consideration by the Council shall not be eligible for rates remission under this policy.

### **(c) Process**

The process for seeking rates remission is as follows:

1. On written application from the ratepayer, or at the initiative of Council Officers, for any rating unit that is:

- a. located in a zone in the District Plan other than the Rural zone, and is
  - b. land used for primary industry, or
  - c. land used for rural lifestyle purposes, or
  - d. land used for residential purposes that are able to be subdivided.
2. Each application will be considered on its merits and the amount of the remission will be at the Council's sole discretion. The amount of the remission will be determined so as to:
  - a. exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial or industrial use; and
  - b. preserve uniformity and equitable relativity with comparable parcels of land used for primary industry, rural lifestyle and residential purposes the valuations of which do not contain any such potential value.
3. The amount of any rates remission allocated under this policy is final and there is no right of objection. (The owner still has the right to object to the rating valuation of the property where those values have been determined under the Rating Valuations Act 1998).
4. The amount of rates remitted in any year shall be an amount up to 100% of the difference between the amount of the rates for that period as determined by the Council in accordance with this policy.
5. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.
6. Rates will be remitted from the commencement of the rating period in respect of which they were made and levied.
7. Rates remission will apply from the beginning of the rating year following the period in which the rates remission application is approved and will not be backdated to prior years. However, in the event that an application is approved prior to 1 August, the rates remission may apply from the beginning of the financial year in which the application is approved.

## **Part 8: Remission of Small Rates Balances**

### **(a) Objective**

To save Council the costs of processing rates of uneconomic value.

### **(b) Conditions and Criteria**

To qualify for remission under this part of the policy the rating unit must have a balance of less than \$5 owing as at 30 June in any year.

Applications may be at the initiative of the Group Manager – Organisation Performance, Financial Controller, Financial Services Manager or Senior Rates Officer or in writing from the ratepayer.

### **(c) Process**

Each application will be considered on its merits, and if approved the value of the remission will be the whole of any outstanding rate of \$5 or less at year end.

## **Part 9: Remission of Targeted Rates on Non-rateable Land**

### **(a) Objective**

To balance user-pays, equity and community interest in relation to targeted rates otherwise payable by non-rateable rating units.

### **(b) Conditions and Criteria**

To qualify for consideration for remission under this part of the policy the rating unit must be:

- 100% non-rateable under the LGRA.
- otherwise liable for targeted rates for services described in s.9 of the Local Government (Rating) Act 2002 (i.e. for water supply, wastewater disposal or waste collection).

Determinations will not be backdated.

### **(c) Process**

Decisions will be made by way of policy determinations by Council in respect of a type of ratepayer or rating unit. The value of the remission will be the whole or part of any or all of the applicable rates.

## **Part 10: Remission for Properties Affected by Natural Hazard Disasters & Emergency Events**

### **(a) Objective**

To provide rating relief to ratepayers whose property has been affected by a natural hazard or emergency event.

### **(b) Conditions and Criteria**

A full or partial remission may be granted where a natural hazard or other type of emergency event has resulted in a property becoming uninhabitable for an extended period of time.

Funding for this remission will be determined through a Council resolution.

To qualify for remission under this part of the policy a rating unit or part thereof will be:

- Affected by a natural hazard or emergency event such as a flood, storm, earthquake, subsidence; and
- Rendered incapable of normal use by the ratepayer for a period of time.

Other matters taken into account in determining whether or not the rating unit qualifies for remission, and the extent of such remission, will include;

- The physical impact(s) of the natural hazard or emergency event on the rating unit or part thereof,
- The nature of the use of the land by the ratepayer;
- The duration of the impact(s) on the rating unit, and its effect on the use of the rating unit; and
- The extent to which any losses incurred by the ratepayer were insurable.

Applications must be in writing, either from the applicant or at the initiative of an officer of the Council. The Council may request further information and set a deadline for applications.

### **(c) Process**

Applications will be considered, and decisions made, by Council at its sole discretion. (The Council may consider the appointment of an advisory committee to assist in the consideration of applications, if appropriate).

The Council will take into account the extent of funding available from which to make any remissions, and a remission may provide for:

- Special conditions relating to the property
- The extent of remission to be made, whether on a fixed sum, percentage, sliding scale or other basis.

The ratepayer will be informed of the outcome of the application in writing.

## **Part 11: Remission for Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property**

### **(a) Background**

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

### **(b) Objective**

To provide a positive development incentive by supporting the development of subdivision land for residential and rural lots by remitting all rates levied using fixed (uniform) charges on unsold, vacant development land.

### **(c) Conditions and Criteria**

This remission applies to unsold subdivided land, where such land does not meet the criteria to be treated as a single rating unit under s20 of the Local Government (Rating) Act 2002.

1. The rating units must have been created in accordance with Council's subdivision development requirements and have been granted a subdivision consent.
2. The rating units must be vacant land i.e. the rating unit does not contain any habitable dwelling.
3. The rating units on which remission is applied must be owned by the same ratepayer who must be the original developer
4. Rate remission to the extent of fixed (uniform) charges for unsold subdivided land.
5. Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the year in which the change in title occurs.
6. The ratepayer will remain liable for at least one "set" of fixed (uniform) general and/or targeted rates, in respect of the contiguous land only.
7. Remissions will not apply to Water, Stormwater and Wastewater targeted rates.
8. Remissions will not be granted in retrospect for previous years.
9. This remission will be available from the 2025/26 rating year onwards, it will not be granted in 2024/25.

### **(d) Process**

Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June 2025 in the first year and before 30 June in subsequent years).

Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.

The ratepayer will be informed of the outcome of the application in writing.



## Part 12: Remission of Rates on Bare Land

### (a) Objective

To reduce the rates burden on bare, uninhabited land, where the owner of the rating unit is not able to use the services funded from targeted rates.

Bare land is defined as rating units with no habitable improvements. For the purposes of this policy forestry blocks (without habitable buildings) are deemed to be bare land.

### (b) Conditions and Criteria

1. In respect of any rating unit which is bare land, Council may remit up to 50% of any rate assessed as a fixed amount, provided that the ratepayer in respect of that rating unit owns at least one other rating unit in the district in respect of which all relevant rates assessed as fixed amounts are charged
2. Rating units must be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database).
3. Bare, uninhabited rating units listed for sale shall not be eligible for rates remission under this policy.

### (c) Process

Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June).

Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.

The ratepayer will be informed of the outcome of the application in writing.

## Part 13: Remission of Rates for Council Owned Utilities

### **(a) Objective**

To avoid incurring the rating costs to Council that would be indirectly recovered from other ratepayers.

### **(b) Conditions and Criteria**

Utilities (i.e. water, stormwater and wastewater) owned by the Horowhenua District Council will receive 100% remission of all rates that have been set, which includes any rate set using a fixed (uniform) charge.

### **(c) Process**

This remission is applied automatically in Council's core system following rates setting each year.

## **Part 14: Remission of any rate set using a fixed (uniform) charge on contiguous properties**

### **(a) Objective**

To enable Council to act fairly and equitably with respect to the imposition of any rate set using a fixed (uniform) charge on two or more separate rating units that are contiguous, but separately owned and used jointly for a single residential, business or farming use.

### **(b) Background**

This policy has been developed to provide for the remission of rates in situations where two or more rates set using a fixed (uniform) charge, are assessed on contiguous, but separately owned rating units which are being used jointly as a single property or business.

The circumstances where an application for a remission of charges will be considered are:

1. Residential dwelling and associated garden and ancillary buildings where the property occupies a maximum of two rating units and those rating units are used jointly as a single property.
2. A farm that consists of a number of separate rating units that are contiguous.
3. A commercial, retail or industrial business that operates from more than one rating unit where those rating units are contiguous and are used jointly as a single property.
4. However, Council's "Separately Used or Inhabited" (SUIP) definition will still be applied.

### **(c) Conditions and Criteria**

Applications under this policy must be in writing, signed by the ratepayers and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous.
2. The rating units must:
  - a. In the case of a residential property, be owned by different owners and used jointly as a single residential property.
    - i. A vacant section adjoining a residential lot does not comply.
    - ii. The individual areas of the rating units concerned must not exceed the size of a typical residential lot.
  - b. In the case of a farm, be owned by different ratepayers or be leased, from other owners, for a term of not less than five (5) years, to different ratepayers who use the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.
3. The Council may on written application from ratepayers of such rating units remit up to 50% of any rate set using a fixed (uniform) charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.
5. The Council reserves the right to determine that any specific targeted rate will not be remitted

6. Remissions will not apply to Water, Stormwater and Wastewater targeted rates.

**(d) Process**

Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June).

Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.

The ratepayer will be informed of the outcome of the application in writing.

## Part 15: Remission for property under development or earthquake strengthening

### (a) Objective

To provide rates relief for properties that are temporarily not fit for purpose due to the property (and buildings on the property) undergoing development or earthquake strengthening, including rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

### (b) Conditions and Criteria

1. An identifiable part of the property must not be used for any purpose apart from the construction or earthquake strengthening works and must not be generating any revenue. This remission only applies for the period the building is not 'fit for purpose'.
2. To enable the remission statement above, 'not fit for purpose' is defined in this policy as where:
  - i. the property (rating unit), or an identifiable part of the property, will not hold sufficient consents to permit occupation; and
  - ii. the property (rating unit), or an identifiable part of the property, will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works; and
  - iii. the property (rating unit), or an identifiable part of the property, will not generate any revenue stream.
3. The remission will be granted on a pro-rata basis for the identifiable part of the property to which the above criteria (i – iii) apply, for the purpose of the remission this will be calculated based on the portion of the total floor area of the rating unit which is deemed 'not fit for purpose'.
4. Successful applications received during the year will apply from the beginning of the following year. No applications will be backdated.
5. All applications for this remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July).
6. If approved, the remission will be up to 100% of the general rate, depending on the circumstances of the application.

### (c) Process

Applications must be on the required application form which is available on the Council's website.

Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.

The ratepayer will be informed of the outcome of the application in writing.

## **Part 16: Remission for rating units containing two or more Separately Used or Inhabited Parts (SUIP)**

### **(a) Objective**

To enable the Council to provide relief for ratepayers who own a rating unit containing two or more Separately Used or Inhabited Parts (SUIP), where the second unit is used by family or friends on a non-paying basis.

### **(b) Conditions and Criteria**

1. To be eligible for the remission a property must;
  - a. contain two or more Separately Used or Inhabited Parts and;
  - b. the second unit is only used by family or friends of the occupants of the first unit on a non-paying basis
2. Applications for this remission must be submitted annually for consideration prior to the commencement of the rating year (30 June). Failure to submit an application will result in the property not being considered for the remission.
3. Successful applications received during the year will apply from the beginning of the following year. No applications will be backdated.
4. If a rating unit contains more than two habitable units used by non-paying family or friends, only one is entitled to remission.
5. If approved, the remission will be up to 50% of all targeted rates.
6. The application is accompanied by a statutory declaration of intent made by the ratepayer that declares that all the above conditions will be complied with in the ensuing year.
7. Ratepayer's statutory declaration of intent is binding and Council reserves the right to decline an application where misleading or incorrect information is found during the ensuing year.
8. The level of remission will vary depending on the total number of applications as the total maximum remission under this category is set by Council annually.

### **(c) Process**

Applications must be on the required application form which is available on the Council's website.

Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision. The actual amount of the remission will be dependent on the budgeted amount approved by Council in any given year.

The ratepayer will be informed of the outcome of the application in writing.

## **Part 17: Special Circumstances Remission**

### **(a) Objective**

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies.

### **(b) Conditions and Criteria**

In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of up to 100% of the annual rates on condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

A remission under this policy will apply for one year only. Applicants must re-apply annually.

### **(c) Process**

Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June). Applications will not be backdated.

Supporting information may be requested at Council's discretion in determining the application.

All Applications for this remission will be determined by the Chief Executive and Mayor.

Each application will be considered on its merits, and if approved the value of the remission will be up to 100% of all annual general and targeted rates generally applied across the District.

The ratepayer will be informed of the outcome of the application in writing.

## Section 2 - Rates Postponement

### (a) Objective

To assist owner-occupiers who have limited capacity to pay their rates from their income and are older, or experiencing extreme financial hardship to continue living in their home.

### (b) Conditions and Criteria

1. The applicant(s) must be aged 65 years of age or older; or aged under 65 years and in extreme financial hardship.
2. The applicant(s) must be the current owner of the rating unit and have owned the property for at least two years.
3. Rating units must be classified as residential and used as the principal place of residence by the applicant(s).
4. Metered water charges are excluded.
5. The postponed rates will not exceed 80 per cent of the available equity in the property. The available equity is the difference between the rateable value of the property at the most recent revaluation and the value of any debt against the property if you have insured the property for its full value.
6. Postponed rates will be registered as a statutory land charge on the rating unit's title.
7. A postponement fee will be added to the postponed rates reflecting the administrative and financial costs of postponement. This includes the cost of interest.
8. For the rates to be postponed, evidence of property insurance and the value of debt against the property, including mortgages and loans by way of a declaration must be provided each year.
9. The postponement will apply from the beginning of the rating year when a postponement is applied.
10. Approval of rates postponement is for one year only.
11. The applicant must reapply annually for the continuation of a rates postponement
12. The maximum level of rates postponements will be set at 0.5% of operating income.
13. Rates postponed under this policy will be postponed until, and shall be immediately due and payable immediately upon, the earlier of:
  - The death of the last surviving ratepayer granted the postponement; or
  - The ratepayer(s) cease to be the owner of the rating unit; or
  - The rating unit ceases to be the principal place of residence of the ratepayer(s); or
  - The postponed rates are equal to, or greater than, 80 per cent of the available equity in the property; or
  - The rating unit ceases to be insured to its full value; or
  - An alternative date as agreed with Council.



### **(c) Process**

Applications must be on the required application form which is available on the Council's website.

When an application to postpone rates has been approved, the Council will give notice as required under section 87 of the Local Government (Rating) Act 2002.

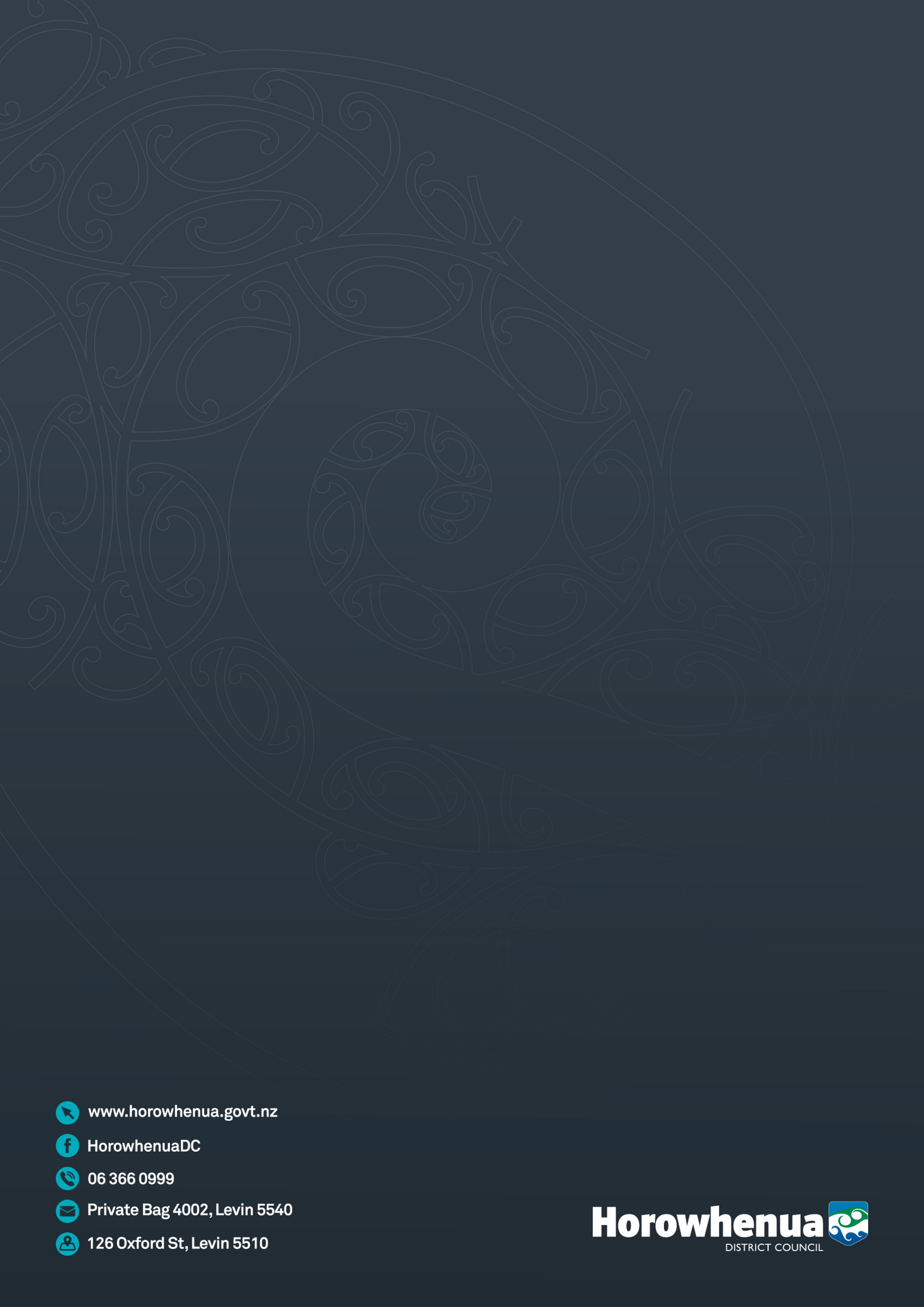
This notice will:

- State the amount of postponement; and
- State that a postponement fee will be charged; and
- State the timeframe or conditions upon which the postponed rates will become due and payable.

A statutory land charge will be registered on the rating unit's title following approval.

Ratepayers applying for a rates postponement on the grounds of extreme financial hardship must provide clear evidence and proof of their financial circumstance to support their application. To qualify for rates postponement the applicant must qualify for a rates rebate under the Rates Rebate Act 1973.

The Council recommends that all applicants seek advice from an appropriately qualified and independent financial advisor on the financial impacts and appropriateness of postponing their rates before submitting an application.



 [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)

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