

Rates Remission and Postponement Policies

General Considerations

When considering any remission Council will take into account the circumstances at the time the rates are struck. Rates may be fully or partially remitted where there are a small number of properties where the Finance and Corporate Services Manager considers that their different characteristics warrant a remission.

1. Rates Remission for Lake Taupo Lakebed and Lakeshore Reserve

1.1 Policy Objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupo and the environs in a natural state
- To recognise the special characteristics and the immense value of Lake Taupo to the district
- To recognise owners of lakeshore properties who are making a contribution toward lake and lake catchment environmental protection
- To support the Long Term Council Community Plan community outcomes: 'Lakes, Rivers, Landscapes – Places we are proud of'; and 'Healthy People, Healthy Communities'.

1.2 Conditions and Criteria

- Remission is available to the Lake Taupo lakebed land where the title for that land is in private ownership.
- Remission is available to land that was previously designated as part of the proposed lakeshore reserve scheme.

In relation to the Lake Taupo lakebed land:

- Remission is available to the land where the owners recognise the significance of public access to the lake and environs and operate the land as if it was a public reserve.

In relation to Lakeshore reserve:

- Remission is available to land where the owners recognise the objectives of this policy and the land meets the qualifying criteria
- Land must be unoccupied, undeveloped, and have no source of income derived from it
- If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates
- Use of land will be continually monitored
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply. The signed declaration form must be received by Council within the time frame given
- Rates must be paid until the application form is processed.

It should also be noted that:

- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units
- Approval relating to remission qualification is delegated to Council officers.

2. Rates Remission for Community, Sporting and Other Organisations

2.1 Policy Objectives

- To facilitate the ongoing provision of non commercial (business), non-profit, voluntary, community and sporting services to the general public
- To assist the organisation's survival
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.
- To support the Long Term Council Community Plan community outcomes: 'Healthy People, Healthy Communities', and 'Vibrant and Diverse'.

2.2 Conditions and Criteria

- Remission is available to land occupied or used by a charitable organisation which is non-profit and provides voluntary, community or sporting services to the general public.
- The organisation's purpose meets the objective.
- 100% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for organisations without a permanent liquor licence.
- 50% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for organisations with a permanent liquor licence.
- Applications for remission must be made on the approved declaration form
- An application must include:
 - i. a signed statement from the organisation's treasurer to prove no profit is derived from its activity
 - ii. documentation clarifying liquor licence status
 - iii. a statement of objectives, financial accounts, information on activities and programmes and details of membership or clients.
- Applications for remission must be completed every two years
- Rates must be paid until the application is processed
- The policy does not apply to organisations operated for private pecuniary profit
- Approval relating to remission qualification is delegated to Council officers.

3. Rates Postponement for Extreme Financial Hardship

3.1 Policy Objectives

- To provide rating relief to ratepayers experiencing extreme financial hardship
- To support the Long Term Council Community Plan community outcomes: 'Safe and Secure', and 'Healthy People, Healthy Communities'

3.2 Conditions and Criteria

- The policy does not apply to vacant land and only applies to residential properties - not companies, trusts, organisations or other similar ownership structures
- Rates postponement is available to ratepayers who are receiving national superannuation or a pension e.g. widow's benefit, or are 65 years of age or older
- Application for postponement can only be made by the legal owner of the property and they must have owned a residential property, and therefore have been a residential ratepayer in the Taupo District for at least 10 years
- The applicant must not own any other properties in the Taupo District or any other district
- Qualifying applicants shall pay 90% of the annual rates assessed in the rating year immediately prior to the first year of postponement qualification. This amount shall then remain fixed until postponement ceases
- Age, physical or mental ability, injury, illness and family circumstances are considered when deciding on postponement eligibility. Any postponed rates will be postponed until the:
 - i. death of the ratepayer(s); or
 - ii. ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - iii. ratepayer(s) ceases to use the property as his/her residence; or
 - iv. date specified by the Council in the postponement agreement
 - v. ratepayer does not meet qualifying criteria as set out in the declaration form which must be completed and returned to Council every two years for review.
- Council will charge interest on the total amount postponed. The interest will be assessed annually and calculated using the market weighted average effective interest rate on Council borrowings as reported in Council's Annual Report
- The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative costs and may vary from year to year. The fee will be set annually by Council and included in Council's Schedule of fees and charges.
- The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy
- Postponed rates will be registered as a charge on the rating unit under the Statutory Land Charges Registration Act 1928. No dealing with the land may be registered by the ratepayer while the charge is in place, except with the consent of the local authority
- All rates that have been postponed will become payable when qualification of postponement ceases
- Ratepayers applying for rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstances by completing the declaration form
- When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council that shall:
 - i. State the amount of postponement
 - ii. State the time frame or conditions upon which the postponed rates will become due and payable
 - iii. Acknowledge that the postponed rates will be registered as a charge against the land
 - iv. Require the applicant to have sought legal or other professional advice prior to signing the agreement
 - v. Be signed by both parties.
- When rates postponement payment obligations have been met by the ratepayer, Council will undertake to remove the land charge from the registered title of the rating unit
- The granting of a rates postponement due to extreme financial hardship is delegated to the discretion of an appropriate committee of Council officers.

4. Remission of Rates Penalty

4.1 Policy Objectives

To enable Council to act fairly and reasonably in its consideration of penalty remission for rates which have not been received by the Council by the due date caused by circumstances outside the ratepayer's control.

4.2 Conditions and Criteria

Council will remit penalties on rates where any of the following apply.

- i. A bereavement in the ratepayer's family occurred around the time the instalment was due
- ii. There was serious illness (in the ratepayer's immediate family) around the time the instalment was due
- iii. The ratepayer has a good payment history (being three clear years without penalty remission).
- iv. Payment has been sent prior to penalty date but not received and payment is made within two weeks of the penalty notification being issued (satisfactory evidence may need to be provided)
- v. The envelope with rates payment is postmarked on or before penalty date but is received after penalty date
- vi. An office error has occurred.

An approval relating to remission qualification is delegated to Council Officers.

- Requests to remit rates penalties for reasons other than those specified above are to be considered by the Revenue Manager
- The Revenue Manager may remit rates penalties for reasons other than those specified up to \$100 on any one rating unit
- Applications to remit rates on any one rateable unit over \$100 for reasons other than those specified are to be decided upon by the Finance and Corporate Services Manager.

5. Rates Remission and Postponement on Maori Freehold Land

5.1 Policy Objectives

- To recognise that to continue to levy rates on non-income producing Maori freehold land is counterproductive to both owners and Council
- To recognise the special characteristics of Maori freehold land
- To provide incentives for owners to develop their Maori freehold land and to facilitate any wish of the owners to develop the land for economic use
- To support the use of the land by the owners for traditional purposes
- To recognise and support the relationship of Maori and their culture and traditions with their ancestral lands
- To avoid further alienation of Maori freehold land
- To recognise and take into account the presence of waahi tapu that may affect the use of the land for other purposes
- To recognise and take into account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- To recognise and take into account the importance of the land for community goals relating to:
 - i. Preservation of the natural character of the lakeshore environment
 - ii. Protection of outstanding natural features
 - iii. Protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- To recognise the level of community services provided to the land
- To recognise matters related to the physical accessibility of the land
- To support the Long Term Council Community Plan community outcomes: 'Healthy People, Healthy Communities', 'Safe and Secure', 'Thriving and Prosperous' and 'Vibrant and Diverse'.

5.2 Postponement of Rates on Maori Freehold Land

Council does not provide for any postponement of rates on Maori freehold land.

5.3 Conditions and Criteria

This policy applies only to land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

- Maori freehold land that is:
 - i. non-income producing
 - ii. in its natural state or undeveloped state
 - iii. not occupied
 - iv. in multi ownershipqualifies for 100% remission of all rates and charges.
- Where land is being developed by the owners themselves, or is vested in a Maori Trust or similar body whose function is to develop the land, rates are payable on a sliding scale over a five-year programme as follows:
 - Year 1 – 20% payable and 80% remitted
 - Year 2 – 40% payable and 60% remitted
 - Year 3 – 60% payable and 40% remitted
 - Year 4 – 80% payable and 20% remitted
 - Year 5 – 100% payable
- Qualification of remission will be reviewed every 3 years in accordance with Schedule 11 of the Local Government Act 2002.
- Remission is only applicable where a declaration form has been completed and returned to Council within the time frame given.
- Remission will be applied annually to those properties that qualify under the policy, until the qualifying criteria is no longer met. 'Use' of land will be continually monitored.
- If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates.
- Approval relating to remission qualification is delegated to Council Officers.

