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RATES REMISSION AND POSTPONEMENT POLICY 2024

Purpose and scope

This policy sets out:

- the rates objectives sought to be achieved by the remission or postponement of rates
- the conditions and criteria to be met in order for rates to be remitted or postponed.

In accordance with Sections 102(3), 108, and 109 of the Local Government Act 2002.

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General

General Considerations

When considering any remission, the circumstances at the time the rates are set will be taken into consideration.

Relevant Delegations

Decisions under the rates remission and postponement policies included in this document are delegated to officers as set out in the Council's Delegation Manual.

Review

It should be noted that all of the Rates Remission and Postponement policies included in this document are reviewed every three years in conjunction with the Long-Term Plan or can be reviewed sooner if chosen by the Council.

Note on 2024 changes

It should be noted that the rates remission and postponement policies included in this document were reviewed consulted on and updated to meet the requirements of new legislation provided for in the Local Government (Rating of Whenua Māori) Amendment Act 2021; where rates remission and postponement policies must support the principles in the preamble to the Te Ture Whenua Māori Act 1993 - *to recognise that land is taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners their whānau and their hapū.*

1. Rates Remission for Lake Taupō Lakebed and Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business)

1.1 Policy Objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupō and its environs in a natural state.
- To recognise the special characteristics and the immense value of Lake Taupō to the district.
- To take into consideration that whilst the hydro lakes are used for storage, retention, taking, discharge, conveyance and drainage of water for commercial purposes, they are also open to the public for enjoyment and recreational activities.
- To support the Long-Term Plan community outcomes: Vibrant places and connected communities – We connect people with nature through our reserves and public places.

1.2 Conditions and Criteria

In relation to the Lake Taupō lakebed land:

- Remission is available to rating units, which contain in full or in part the Lake Taupō lakebed, where the title for the lakebed is in private ownership.
- Remission is available to the rating unit where the owners recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to the qualifying rating unit or parts of the rating unit where the owners recognise the objectives of this policy, and the land meets the conditions and criteria.
- 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 on the form.

In relation to Hydro Lakes, lakebed:

- Remission is available to the land where the owners and ratepayers recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units.
- 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 on the form.

2. Rates Remission for Community, Sporting, Churches, Marae and Other Organisations

2.1 Policy Objectives

- To provide rates remission that will assist community, non-commercial, not-for-profit-organisations to provide free care, relief or assistance to any person in the community that is in need.
- To facilitate the ongoing provision of non-commercial, not-for profit, voluntary, community and sporting services to any person in the community.
- 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, students, young families, aged people and economically disadvantaged people.
- To recognise and support the benefits that Churches and Marae have in the community by providing rates remission for the sewage disposal rate.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – Our community is empowered to lead initiatives, build connections and increase participation.

2.2 Conditions and Criteria

- Rates remission is available to land occupied or used by a not-for-profit organisation (including a society, association or organisation, whether incorporated or not) which:
 - is non-commercial; and
 - is carried on for the free maintenance (care) relief or assistance of persons in need or provides voluntary community or voluntary sporting services; and
 - is available to any person in the community.
- The organisation's purpose promotes the objectives outlined in 2.1 above.
- 75% remission for sewerage disposal rates will apply and 100% remission of other rates and charges excluding those for water (including water by meter) and refuse disposal.
- 75% remission for sewerage disposal rates and 50% remission of other rates and charges, excluding those for water (including water by meter) and refuse disposal, will apply for rating units with a permanent liquor licence.
- 75% remission of the sewerage disposal rate will apply for Marae and Churches that have a non-rateable status under schedule 1 of the Local Government (Rating) Act 2002
- Applications for rates remission for properties other than Marae and Churches must be made on the approved declaration form, and the supporting information required in points 2.2.1 to 2.2.7 must be relevant to the rating unit (or part of the rating unit) that the application for rates remission is for.
- An application must include:
 - 2.2.1** a signed statement from the organisation's treasurer that declares no profit is derived from its activity; and
 - 2.2.2** full financial accounts including the balance sheet, income statement, and the cash flow statement; and
 - 2.2.3** a statement of objectives for the organisation; and
 - 2.2.4** information on the activities and programmes of the organisation; and

- 2.2.5 details of volunteers, and paid employees; and
- 2.2.6 details of members and membership criteria; and
- 2.2.7 documentation clarifying liquor licence status.

- Applications for rates remission must be completed every two years.
- Rates must be paid until the ratepayer is advised that their application for remission has been granted.
- The policy does not apply to organisations operated for private pecuniary profit.

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 Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

3.2 Conditions and Criteria

- The policy does not apply to vacant land and only applies to residential properties owned by natural persons and not companies, trusts, organisations or other similar ownership structures.
- Rates postponement is only available for properties owned individually or jointly by ratepayers who are receiving 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 owners of the property and they must have owned a residential property, and therefore have been a residential ratepayer in the Taupō District for at least 10 years.
- The applicants must not own any other properties in the Taupō District or any other district.
- The amount of rates that can be postponed is the difference between 90% of the annual rates for the rating year prior to the commencement of the postponement and the rates set annually thereafter for the property until the postponement ceases. (Qualifying applicants shall pay an amount that is 90% of the annual rates assessed in the rating year immediately prior to the first year of postponement. This amount shall then remain fixed until postponement ceases).
- Physical or mental ability, injury, illness and family circumstances are considered when deciding on postponement eligibility. Any postponed rates will be postponed until the earlier of:
 - 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; or
 - 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 a fee on the total amount postponed. The fee will be assessed annually and calculated using the 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 Land Transfer Act 2017. No dealing with the land may be registered by the ratepayer while the charge is in place, except with the consent of the Council.
- All rates that have been postponed will become payable when qualification for 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 timeframe 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 declare that they 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 record of the title of the rating unit.

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.
- To support the Long-Term Plan community outcomes; Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

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 penalty date or
 - ii. There was serious illness (in the ratepayer's immediate family) around the penalty date or
 - iii. The ratepayer has a good payment history (being three clear years without any penalty having been remitted) or
 - iv. Payment has been arranged electronically 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) or
 - v. An office error has occurred.

A penalty remission may be approved when the reason provided for the late payment is outside this policy and the ratepayer applies in writing and hasn't had prior rates penalty remission for similar reasons.

5. Rates Remission and Postponement Policies on Māori Freehold Land

This rates remission and postponement policy for Māori Freehold Land was inclusively considered, reviewed, consulted on and updated with all of the rates remission policies outlined within this document; in consideration of the Local Government (Rating of Whenua Māori) Amendment Act 2021 - where rates remission and postponement policies must support the principles in the preamble to the Te Ture Whenua Māori Act 1993.

5.1 Policy Objectives for rates remission on parts of Māori freehold land

- To establish mechanisms to assist owners by supporting the principles of the Te Ture Whenua Māori Act 1993: to recognise that land is taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners their whānau and their hapū.
- (Considered under Schedule 11 of the Local Government Act 2002). To recognise that to continue to assess rates on non-income producing Māori freehold land not eligible for non-rateability is counterproductive to both owners and Council.
- To recognise the special characteristics of Māori freehold land.
- To provide incentives for owners to develop their Māori 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 Māori and their culture and traditions with their ancestral lands.
- To avoid further alienation of Māori freehold land.
- To recognise and take into account the presence of wāahi tapu that may affect the use of the land for other purposes.
- 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 and its occupiers.
- To recognise matters related to the physical accessibility of the land.
- To recognise and take into account the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere)
- To support the Long-Term Plan community outcomes: Resilient communities – We partner and collaborate with others to find shared solutions, Flourishing environment – We think and act with an intergenerational view and embrace our role as kaitiaki. Tangata whenua are acknowledged and respected – We acknowledge tangata whenua and their ancestral connection to the whenua, ngā maunga and ngā wai.

5.2 Conditions and Criteria for rates remission on parts of unused Māori Freehold Land

- This policy applies only to land whose beneficial ownership has been determined by the Māori Land Court by freehold order and that is not eligible for statutory non-rateability.
- Māori freehold land that is:
 - i. non-income producing; and
 - ii. in its natural state or undeveloped state; and
 - iii. not occupied; and
 - iv. in multi ownershipqualifies for 100% remission of all rates and charges.
- Qualification of remission will be reviewed every 3 years in accordance with the policy.
- Remission is only applicable where a declaration form has been completed and returned to Council.
- Remission will be applied annually to those parts of 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 subject to a remission is or becomes used or occupied that portion will be liable for all rates assessed.
- If any information provided to Council to support a rates remission application is misleading or incorrect after a remission has been approved Council will reassess the rates under Section 42 of the Local Government (Rating) Act 2002, which provides that Council can recover additional rates where there has been a change in any matter affecting the liability of the ratepayer to pay rates; and the ratepayer has failed to notify the local authority of a change in circumstances, or did not do so within the required time; and as a result, the local authority has not collected the full amount of rates to which it was entitled for the rating unit.

5.3 Postponement of Rates on Māori Freehold Land

Council has considered Postponement of Rates on Māori Freehold land including considering Schedule 11 of the Local Government Act 2002 and the principles in the Preamble to the Te Ture Whenua Māori Act 1993 and concluded that their rates remission policies provide sufficient benefit making postponement unnecessary and therefore, Council does not provide for any rates postponement on Māori Freehold Land.

5.4 Remission of rates for Māori freehold land under development – Guidance to the implementation of statutory remission in section 114A of the Local Government (Rating) Act 2002

Objectives, purpose and benefits

- To facilitate the occupation, development and utilisation of Māori freehold land for the benefit of its owners
- Benefits to the district by creating new employment opportunities.
- Benefits to the district by creating new homes.
- Benefits to the council by increasing the council's rating base in the long term.
- Benefits to Māori in the district by providing support for Marae in the district.
- Benefits to the owners by facilitating the occupation, development, and utilisation of the land.

Information for applicants

- This remission is only available to land whose beneficial ownership has been determined by the Māori Land court by freehold order.
- Applications for remission must be accompanied by the approved declaration form.
- Renewal applications for land that has qualified for remission in the year immediately prior to the year the application is for must be submitted in the month of June and must be relevant to the stage of the development at that time.
- Remission may continue to be applicable until the rating unit is predominantly sown or income is derived from the land, or the development is being used or occupied.
- Remission may be applied to land being developed that has the required resource consent and/or building consent for the development.
- Remission may be applied to land that is being developed on the provision of a plan or business case to Council that confirms resources and funding are in place to enable the development to be completed.
- The Council may remit up to 100% remission of all rates including the general rate except for rates for water (including water by meter) and sewerage for all Māori Freehold land that is under development, including:
 1. being cleared and sown for horticulture, farming, forestry or developed for other industrial or commercial purposes and does not require Council's building or resource consent, or
 2. being developed with structures or buildings and if:
 - a. the timeframes for building consents and other changes to improvements have altered the improvement value as defined in the Rating Valuation Rules 1998;¹ or
 - b. the improvement/development is sufficiently completed to add value to the property at 30 June, the value of those improvements must be entered in the District Valuation Roll and Rating Information Database by that date:

at this stage of the development the remission of the general rate may be calculated by determining the percentage of the land value that makes up the capital value and using that percentage to calculate the amount of general rates that will be remitted - so that general rates are only payable on the new improvement value and all other rates excluding rates for water (including water by meter) and sewerage for all rating units or separate rating areas may qualify for 100% remission

- If any information provided to Council to support a rates remission application is misleading or incorrect after a remission has been approved Council will reassess the rates under Section 42 of the Local Government (Rating) Act 2002 which provides that Council can recover additional rates where there has been a change in any matter affecting the liability of the ratepayer to pay rates; and the ratepayer has failed to notify the local authority of a change in circumstances, or did not do so within the required time; and as a result, the local authority has not collected the full amount of rates to which it was entitled for the rating unit.
- To support the Long-Term Plan community outcomes: Resilient communities – We partner and collaborate with others to find shared solutions, Flourishing environment – We think and act with an intergenerational view and embrace our role as kaitiaki. Tangata whenua are acknowledged and respected – We acknowledge tangata whenua and their ancestral connection to the whenua, ngā maunga and ngā wai.

¹ A building consent is actionable –the earlier of either six months after the date of issue of a building consent or the date of notification to the Council of completion of the work.

6. Remission of General Rates for Council Owned Utilities

6.1 Policy Objectives

- To avoid collecting rates that are to be paid by the Council from revenue collected from other ratepayers.
- To support the Long-Term Plan community outcomes: Flourishing environment – We manage wastewater and stormwater discharges to protect our water quality.

6.2 Conditions and Criteria

Rating units which are for utilities (i.e. water, storm water and wastewater pipes) owned by the Taupō District Council will automatically receive 100% remission of the general rates, which includes the uniform annual general charge. Based on the nature of this remission policy an application for remission is not required, Council will automatically apply the remission for properties that qualify under the criteria.

7. Water Rates Remission Attributable to Water Leaks

7.1 Policy Objectives

- In order to provide relief to ratepayers in situations where water usage is high due to a water leak, Council may remit metered water supply rates where all of the conditions and criteria in section 7.2 apply.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

7.2 Conditions and Criteria

- The council may remit water consumption rates where all of the following apply:
 - i. An application for remission has been received; and
 - ii. Council is satisfied that a leak on the property has caused excessive water consumption; and
 - iii. The leak has been repaired as soon as possible after being identified; and
 - iv. Proof that the leak has been repaired is included with the application for remission (proof can be provided by way of plumbers' invoice, photographs, etc.)
- The amount of the remission will be the difference between the average consumption (calculated over the previous two years) of the property and the actual consumption as recorded in the latest reading.

8. Natural Disasters Rates Remission

8.1 Policy Objectives

- This policy is to allow Council, at its discretion, to remit all or part of any rate charged on any property that is used as a place of residence and not used in a commercial capacity or from which income is derived - where it has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation –*deluge/flood/torrent*, or earthquake) rendering residential dwellings or buildings uninhabitable, requiring residential activities carried out on the land to cease. This policy is aimed at aiding those ratepayers whose homes are most adversely affected by natural disasters events.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

8.2 Conditions and Criteria

- For the purposes of this policy 'uninhabitable' means:
 - *a building that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004, and that the residents have been required to move out by the Council, and the property is not being used.*
 - *a dwelling or building that is a total loss or*
 - *as determined by Council after taking into account the matters specified in i - iii below.*
- The Council may remit all or part of any rate assessed in the district in respect of properties that are used as a place of residence and not used in a commercial capacity or from which income is derived, if the land beneath or surrounding the home is detrimentally affected by natural disaster events (such as erosion, falling debris, subsidence, slippage, inundation –*deluge/flood/torrent*, or earthquake); and as a result, dwellings or buildings previously habitable were made “uninhabitable”; and the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued
- In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:
 - i. the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied.
 - ii. whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
 - iii. whether any part of the building or land remains habitable or available for use
- The decision to remit all or any part of a rate shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions & criteria set out above are met.
- The extent of any remission shall be determined by the Council and will:
 - consider the available funding at the time of the event; and
 - determine the rates that will be remitted; and
 - decide – based on the extent and nature of the event - whether an application for remission is required from the ratepayer or whether the Council will automatically apply the remission for properties that qualify under the criteria.

9. Waitahanui - Fixed Charge Targeted Water Rate Remission Policy

9.1 Policy Objectives

The objectives sought to be achieved by the remission of rates are:

- To provide relief from the Water Fixed Charge Targeted Rate and to acknowledge that rates assessed on specified rating units (identified in the map below) on the basis of their availability to connect to the Taupō Township/Wairakei Village water supply imposes targeted rates when there is already an existing private water supply.
- To take into consideration that the infrastructure to extend the Taupō Township/Wairakei Village water supply to Waitahanui qualified for \$1.9m funding through the Central Government's New Zealand Drinking standards programme.
- To recognise that Central Government's criteria to qualify for funding is decided by a measure on New Zealand's deprivation index.
- To support Central Government's initiative to supply potable drinking water to low socioeconomic communities that are identified through data sourced from Statistics New Zealand and Census.
- To support the Long-Term Plan Community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

9.2 Conditions and Criteria

- In accordance with this policy, the Council will automatically remit the Taupō Township/Wairakei Village Water Fixed Charge Targeted Rate set under section 16 of the Local Government (Rating) Act 2002.
- This remission policy:
 - i. applies to only specified rating units in the Waitahanui area as shown on the map *attached in Appendix 1* (being those rating units that had an existing and operational private water supply in place prior to the Taupō Township/Wairakei Village water supply infrastructure being extended to within 100 meters of the boundary of the relevant rating unit) and are now identified as available to be connected but not connected to the Taupō Township/Wairakei Village water supply; and
 - ii. will cease to apply with respect to a rating unit from 1 July in any rating year if, in the previous rating year, that rating unit connected to the Taupō Township/Wairakei Village water supply.

Appendix 1 – Waitahanui Water Rate Remission Area

