

Rates Remission and Postponement Policies 2018

General Considerations

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

1. *Rates Remission for Lake Taupo Lakebed, Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business) 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 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 recognise and support owners of lakeshore properties who are making a contribution toward lake and lake catchment environmental protection
- To support the Long Term Plan community outcomes: 'Environment - A shared responsibility for places we are proud of'.

1.2 Conditions and Criteria

In relation to the Lake Taupo lakebed land:

- Remission is available to rating units, which contain in full or in part the Lake Taupo 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 operate 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.
- Approval relating to remission qualification is delegated to Council officers.

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 operate 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 are still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.
- Approval relating to remission qualification is delegated to Council officers.

In relation to Lakeshore reserve:

- Remission is available to land that was previously designated as part of the proposed lakeshore reserve scheme.
- 100% remission of all rates and charges shall be given to qualifying rating units or parts of rating units where the owners recognise the objectives of this policy and the land meets the conditions and 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 are still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.
- Rates must be paid until the ratepayer is advised that their application has been granted.
- Approval relating to remission qualification is delegated to Council officers.

2. Rates Remission for Community, Sporting and Other Organisations

2.1 Policy Objectives

- To provide rates remission that will assist non commercial, not-for-profit-organisations to provide care, relief or assistance to any person in the community that is in need for free.
- 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 support the Long Term Plan community outcomes: 'Economy - Our communities prosper in a thriving local economy' and 'Engagement - Connection with our community'.

2.2 Conditions and Criteria

- 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 objective.
- 100% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for rating units 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 rating units with a permanent liquor licence.

- Applications for remission must be made on the approved declaration form, and the supporting information required in points 2.2.3 to 2.2.7 must be relevant to the rating unit (or part of the rating unit) that the application for rate remission is for.
- An application must include:
 - 2.2.3** a signed statement from the organisation's treasurer that declares no profit is derived from its activity and
 - 2.2.4** full financial accounts including the balance sheet, income statement, and the cash flow statement and
 - 2.2.5** a statement of objectives and
 - 2.2.6** information on activities and programmes and
 - 2.2.7** 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 remission must be completed every two years
- Rates must be paid until the ratepayer is advised that their application has been granted.
- 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: 'Engagement - Connection with our community'.

3.2 Conditions and Criteria

- The policy does not apply to vacant land and only applies to residential properties owned by natural persons- 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
- The postponed rates are the total of 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 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 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 interest on the total amount postponed. The interest 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 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 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 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.
- To support the 10 Year Plan community outcomes; 'Engagement – Connection with our community'

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 any penalty having been remitted).
 - iv. Payment has been arranged 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 penalties on any one rating unit over \$100 for reasons other than those specified are to be decided by the Group Manager Finance & Strategy.

5. Rates Remission and Postponement on Maori Freehold Land

5.1 Policy Objectives

- To recognise that to continue to assess 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 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 Plan community outcomes: 'Economy - Our communities prosper in a thriving local economy', 'Environment - A shared responsibility for places we are proud of', 'Engagement - Connection with our community'.

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 the policy.
- Remission is only applicable where a declaration form has been completed and returned to Council within the time frame given on the form.
- 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.

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 10 Year Plan community outcomes: Engagement – Connection with our community

6.2 Conditions and Criteria

Rating units which are for utilities (i.e. water, storm water and waste water pipes) owned by the Taupo District Council will automatically receive 100% remission of the general rates, which includes the uniform annual general charge.

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 water consumption rates where all of the conditions and criteria apply
- To support the 10 Year Plan community outcomes: 'Engagement – Connection with our community

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 a leak on the property has caused excessive consumption; and
 - iii. The leak has been repaired as soon as possible after being identified; and
 - iv. Proof of the leak being repaired has been included with the application for remission (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; and
 - The approval for any remission up to \$1,000 will be delegated to the Revenue Manager; or
 - Any remission in excess of \$1,000 will be referred to the Group Manager, Finance Regulatory and Infrastructure for approval

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 rating unit categorised in the District Valuation Roll as residential or lifestyle that has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – *deluge/flood/torrent*, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease. This policy is aimed at aiding those ratepayers most adversely affected.
- To support the 10 Year Plan community outcomes: Engagement – Connection with our communities

8.2 Conditions and Criteria

- 8.2.1 The Council may remit all or part of any rate assessed in the district in respect of rating units categorised in the District Valuation Roll as residential or lifestyle, if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – *deluge/flood/torrent*, or earthquake) and

- a. as a result dwellings or buildings previously habitable were made “*uninhabitable*”; and
- b. the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued

**For the purposes of this policy ‘uninhabitable’ shall mean:*

- *a building 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 Clause 8.2.2 of this policy*

- 8.2.2 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:
1. the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied;
 2. whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
 3. whether any part of the building or land remains habitable or available for use
- 8.2.3 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 set out in Clause 8.2.1 are met by a ratepayer. The Council is unlikely to grant a remission where the land affected is in a known hazard prime location.
- 8.2.4 The extent of any remission shall be determined by the Council and will:
- i. consider the available funding at the time of the event
 - ii. determine the rates that will be remitted
 - iii. 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
- 8.2.5 Each natural disaster event will be considered for rates remissions on a case by case basis by Council

9. Waitahanui - Fixed Charge Targeted Water Rate Remission Policy

9.1 Policy Objectives

- 9.2.1 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 Taupo 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 Taupo 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 Community outcomes: 'Engagement – Connection with our community'.

9.3 Conditions and Criteria

9.3.1 In accordance with this policy, the Council will remit the Taupo Township/Wairakei Village Water Fixed Charge Targeted Rate set under section 16 of the Local Government (Rating) Act 2002.

9.3.2 This remission policy:

- applies to only specified rating units in the Waitahanui area as shown on the map *attached* (being those rating units that had an existing and operational private water supply in place prior to the Taupo 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 Taupo Township/Wairakei Village water supply; and
- 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 Taupo Township/Wairakei Village water supply.

9.3.3 Approval relating to remission qualification is delegated to Council officers.

Note:

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.