

# Rate remission and postponement policies

## Remission of Penalties

### OBJECTIVE

To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.

### CONDITIONS AND CRITERIA

In this part of this policy, the term 'individuals' means ratepayers who are natural persons. Penalty remissions will be considered where an applicant meets any of the following criteria:

- a. Individuals on benefits or other low-incomes or who have been made redundant/unemployed, have no other means, and who have exhausted all other avenues of relief.
- b. Individuals suffering significant family disruption, eg serious illness or accident of self or a close family member, death of a close family member or separation/divorce.
- c. Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.
- d. Individuals who contact the council prior to a penalty date to advise that they will not have funds available to pay the rates instalment until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer).
- e. Where the council accepts an agreed payment arrangement, penalties added subsequent to the commencement of the payment arrangement may be remitted at the end of the relevant rating year, provided that the payment arrangement is being honoured.
- f. Where the council accepts an agreed payment arrangement to clear accumulated arrears and current rates, penalties may be remitted at the end of each rating year provided the payment arrangement is being honoured and the payments have the effect of reducing the arrears. The penalty remitted may include either instalment penalties, arrears penalties or both.
- g. The ratepayer has a good payment history (being 2 clear years without incurring penalties).
- h. Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.

All applications for remission of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.

Decisions under this policy are delegated to officers as set out in the Council's delegations manual.

## Remission & Postponement Policy – Maaori Freehold Land

### OBJECTIVE

To provide for the fair and equitable collection of rates from all sectors of the community, while recognising that certain Maaori-owned land has particular characteristics, features or ownership structures, or there are other circumstances which may make it appropriate to provide relief from rates.

Specifically, the policy is intended to:

1. Recognise situations where there is no occupier or no persons gaining an economic or financial benefit from the land
2. Set aside land that is better left unused because of its natural features
3. Recognise matters related to the physical accessibility of the land
4. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
5. Facilitate development or use of the land where the council considers rates based on actual land value make the actual use of the land uneconomic.
6. Where only a part of the block is occupied, grant remission for the unoccupied part of the land.

## APPROACH

In establishing this policy, regard has been had to the following matters:

1. In terms of section 91 of the Local Government (Rating) Act 2002, Maaori freehold land is liable for rates in the same manner as if it were general land.
2. The council is required to consider whether it should have a policy on rates relief on Maaori freehold land.
3. The council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
4. Applications for relief meet the criteria set by the council.
5. The policy does not provide for the permanent remission or postponement of rates in respect of the property concerned.

## CONDITIONS

The Council will consider rate remission for land if the following conditions and criteria are met:

1. Application for remission of rates must be made by the owners or trustees of the land for which the remission is sought.
  - a. Maaori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maaori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
  - b. Owners or trustees making application must include the following information in their applications:
    - i. The details of the property for which remission is being sought
    - ii. The objectives (as outlined under 'Objectives' above) that will be achieved by providing a remission, together with an explanation as to how the land fits within the objectives
    - iii. Documentation that proves the land which is the subject of the application is Maaori freehold land, as defined at (2) above.
  - d. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
    - a. Decisions as to remission of rates, and the extent of any remission, are at the sole discretion of the council, and apply only to the rating year for which the application is made.

## CRITERIA

Rates will be remitted where the land meets any or all of the following criteria:

- a. The land is unoccupied and no income is derived from that land
- b. The land is better set aside for non-use because of its natural or cultural features
- c. The land is inaccessible and is unoccupied
- d. The land carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
- e. Maaori freehold land that exceeds 2 hectares and on which a Maaori meeting house is erected.
- f. The land is only partially occupied (Note that in this case the Council may remit rates of the unoccupied part only).

## Postponement Policy - Financial Hardship

### OBJECTIVE

To give ratepayers whose financial circumstances affect their ability to pay their rates an option to postpone the whole or part of their rates for an agreed period of time.

### POSTPONEMENTS IN CASES OF FINANCIAL HARDSHIP

#### CONDITIONS AND CRITERIA

1. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be taken into consideration including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.
2. If after due enquiry the council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed), the council may postpone part or all of the rates.
3. An application will only be considered where the following criteria are met:
  - a. The application must be made on the prescribed form.
  - b. Only the person registered as the owner of the rating unit or their authorised agent may make an application for postponement
  - c. The applicant must be a natural person
  - d. The owner must have owned a residential property in the Waikato District for not less than five years,.
  - e. The rating unit must be the owner's permanent place of residence.
  - f. The rating unit is used solely for residential purposes
  - g. The owner has not less than 25% equity in the property as determined by council.
  - h. The owner must not own any other rating units, investment properties or other realisable assets in the Waikato District or any other district.
4. The owner must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
5. The council will charge an annual postponement fee of 10% on the postponed rates for the period between the due date and the date they are paid. This fee will cover the council's administration and financial costs and may vary from year to year.
6. Any postponement will apply from the beginning of the rating year in which the application is made.
7. Where an application is granted, the rates will be postponed until the earlier of:
  - a. The death of the ratepayer(s); or
  - b. Until the ratepayer(s) ceases to be the owner of the rating unit; or
  - c. Until the ratepayer(s) ceases to use the property as his/her permanent place of residence; or
  - d. Until a date as determined by the council in the postponement agreement or
  - e. Until the property is no longer used solely for residential purposes;
  - f. The ratepayer no longer meets the qualifying criteria as set out in the prescribed declaration form which must be completed and returned to council every two years for review.

All rates that have been postponed will become payable when qualification of postponement ceases.

8. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
9. Postponed rates will be registered as a charge on the certificate of title of the rating unit, under the Statutory Land Charges Registration Act 1928. All costs incurred by council associated with registering the statutory land charge will be borne by the applicant. No dealings with the land may be registered by the ratepayer while the charge is in place except with the consent of the Waikato District Council.

10. When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the applicant and Council that contains the following terms:
  - a. The amount of rates postponed
  - b. The timeframe and conditions upon which the postponed rates will become payable.
  - c. Arrangements for the payment of future rates
  - d. Acknowledgement that the postponed rates will be registered as a first charge against the land
  - e. Requirement that the applicant seeks legal or other professional advice prior to signing the agreement
  - f. Signature of both parties.
11. When postponed rates have been paid by the ratepayer the Council will remove the land charge registered on the title of the rating unit.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual

## Remission Rating of Community, Sporting and Other Organisations Policy

### OBJECTIVES OF THE POLICY

- To facilitate the operation of charitable groups, non-profit sporting and other community facilities which meet the needs of Waikato district residents.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, in particular young persons and disadvantaged groups.

### CONDITIONS AND CRITERIA

Organisations applying for a rates remission must meet the following criteria:

1. The organisation must operate on a non-commercial basis. Community facilities which are operated for private pecuniary profit of any members of the organisation do not qualify for any rates remission.
2. Any application for rates remission must be made to the council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
3. An application for rates remission must include the following information in support of the application:
  - a. Objectives of the organisation
  - b. Funding and financial information
  - c. Information on activities and programmes
  - d. Membership or client details.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

A full remission of the General Rate and Uniform Annual General Charge may be applied to land which is owned or used by community, sporting and other organisations for the purposes of providing community facilities accessible to the general public. Such organisations include all sports clubs (except horse and greyhound racing clubs), arts clubs, scouts and youth clubs, St John/Red Cross, community and church halls, whether they are charitable organisations or not, and the Hamilton Zoo.

A 100% remission of the General Rate and Uniform Annual general Charge may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons. These charitable institutions or groups are currently limited to the Tamahere Eventide Home, Assisi Home and Hospital and the Tamahere Hospital and Healing Centre. The remission applies only to the common land that provides the care and does not relate to the land owned privately within the boundaries of these institutions. 50 per cent remission of the General Rate and Uniform Annual General Charge will be granted to Tainui Awhiro and the Auckland/Waikato Fish and Game Council

Note: A mandatory remission of 50 per cent applies to land owned or used by Agricultural and Pastoral Societies incorporated under the Agricultural and Pastoral Societies Act 1908, art clubs and sports clubs (whether incorporated or not) but excluding horse and greyhound racing clubs.

## Land Protected for Historic or Cultural Conservation Purposes or Land Protected for Natural Conservation Purposes Policy

A full remission of all rates may be applied to land used to preserve its natural features.

### OBJECTIVES OF THE POLICY

- To protect the historic or cultural significance of certain land in the Waikato district
- To protect the natural beauty and conservation values of certain land in the Waikato district
- To preserve the natural character of the coastal environment
- To protect significant indigenous vegetation and fauna
- To encourage land owners to leave certain land undisturbed in order to prevent erosion.

### CONDITIONS AND CRITERIA

1. The land must not be used for grazing, farming, residential or commercial purposes and must have discernible historical cultural or natural features.
2. If only part of the land is to be protected, whether or not identified by a registered conservation or heritage covenant, the following aspects will be taken into account to determine whether a remission should be granted:
  - a. The size of the area to be protected in relation to the size of the rating unit
  - b. The significance of the features to be protected.
  - c. Where land is to be protected for natural conservation purposes that are not under covenant, the minimum aggregate conservation area shall be 10 hectares.
4. If a remission for a natural conservation area is granted under Clause 2, the remission shall be calculated on the relevant land value as determined by Council's Valuation Service Provider. Any rates remission applies as long as the land meets the criteria stipulated in Clauses 1 to 2 above. If the land is no longer used for conservation purposes, the ratepayer will be advised that full rates are again payable.
5. In granting remissions under this policy the council may specify certain conditions before remission will be granted, such as arrangements for monitoring and access to the property. Such conditions have to be agreed to by the ratepayer in writing. Non-compliance with any condition will result in remissions being stopped.
6. Any applications for remission under this policy must be made before 1 July of the year of the initial remission. Remissions will not be granted retrospectively.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## Remission of Uniform Annual General Charge on rating units with exceptional circumstances

A full remission of the uniform annual general charge may be applied to rating units with the following exceptional circumstances:

- Uneconomic, multiple owned Maaori rating units that are being leased by neighbouring landowners and being used as one
- Unformed or closed roads (as gazetted) owned by the council whether or not a licence to occupy has been granted to neighbouring landowners.

### OBJECTIVE

To allow the council to act fairly and reasonably where:

- Multiple owned Maaori rating units are being leased by adjoining owners and are being used as part of their land, but do not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002; or
- The council has allowed adjoining property owners to occupy unformed roads and use the Council owned land as part of their properties, but does not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002.

## CONDITIONS AND CRITERIA

1. The rating units must be:
  - a. Multiple owned Maaori freehold land or closed/unformed roads owned by the Council for which permission to occupy has been granted;
  - b. The rates notices are sent to and the rates are paid by the lessee
  - c. Used jointly as a single unit with neighbouring land owned by the ratepayer
  - d. The rating unit is of an uneconomic size.
2. If circumstances change in respect of the rating unit, the council will review whether this remission policy is still applicable to the rating unit;
3. Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## Remission of rates - Other categories

This part of the policy is prepared pursuant to sections 102 and 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002.

### OBJECTIVE

- To enable the Council to grant full rates relief for land that has a capital value of less than \$1,500, whether or not contiguous with other properties.
- To remit rates in respect of cemeteries of an area exceeding two hectares and not being used for any other purpose than as a cemetery (cemeteries less than two hectares are non-rateable)

## CONDITIONS AND CRITERIA

1. Full remission of the general rates is granted where the registered capital value of the rating unit is \$1,500 or less.
2. Full remission of the general rates is granted in respect of land used or set aside for cemetery purposes that has an area greater than two hectares. If circumstances change in respect of the rating unit, the Council will review whether rates remission should still be granted.
3. This policy does not apply to land owned or used by any person or corporation operating a utility of any description on the land.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## Subdivision Development Remission

### OBJECTIVE OF THE POLICY

To facilitate subdivision development in the Waikato district.

### REMISSION FOR UNSOLD LOTS OF A NEW SUBDIVISION

Developers may apply for remission on the second and subsequent lots of a new subdivision that remain unoccupied or unsold after the end of the rating year in which they are first charged rates. The remission applies to the Uniform Annual General Charge and targeted rates.

## CONDITIONS AND CRITERIA

1. The subdivided new lots must be unsold and unoccupied after the end of the rating year in which they are first charged rates.
2. The land must be vacant land.
3. Rates remission will apply to the second and subsequent lots of the subdivision.
4. The owner must apply for rates relief and provide reasons why rates relief should be granted and supporting evidence.
5. Each application will be considered on its merits, taking into account the following factors:
  - a. The landholdings of the owner within the Waikato district

- b. The extent of the subdivision
  - c. The impact of the request on development in the district
  - d. The anticipated sales process of the subdivided lots
  - e. The rating account must be up to date prior to application.
6. The term rates include penalties payable on unpaid rates.
  7. Decisions under this policy are delegated to officers as set out in the council's Delegations Manual.

## Postponement of rates for a new subdivision on the grounds of financial hardship

### OBJECTIVE

- To assist developers.
- A postponement of part of the rates may be granted in respect of a subdivision development on the grounds of financial hardship. This policy applies to all classes of land (including Maaori freehold land).

### CONDITIONS AND CRITERIA

1. Rates will be postponed until the new lots have been sold or leased.
2. The owner/developer must apply for postponement of rates in writing, provide reasons why rates should be postponed and supply supporting evidence.
3. Each application will be considered on its merits, taking into account the following factors:
  - a. the landholdings of the owner within the Waikato district
  - b. the extent of the subdivision
  - c. the impact of the request on development in the district
  - d. the anticipated sales process of the subdivided lots.
4. Postponement of rates will be granted to the extent that the owner still pays the quantum of rates which were payable before the property was developed.
5. If rates postponement is granted, a postponement fee will be charged which will be treated as part of the rates. The postponement fee will cover the council's administration and financial costs.
6. Postponed rates will be registered as a statutory land charge on the certificate of title for the land concerned.
7. Any postponement will be for a maximum period of five years.
8. The term 'rates' includes penalties payable on unpaid rates.

Decisions under this Policy are delegated to officers as set out in the council's Delegations Manual.

## Remission Policy on Uncollectible Rates

### OBJECTIVES

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in the Council's financial interests to remit such rates.

### CONDITIONS AND CRITERIA

1. All rates both arrears and current including any targeted rates will be remitted where council considers the objective will be achieved in so doing. This policy will be applied at council instigation.
2. Properties receiving a remission under this policy must be reviewed every year.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual