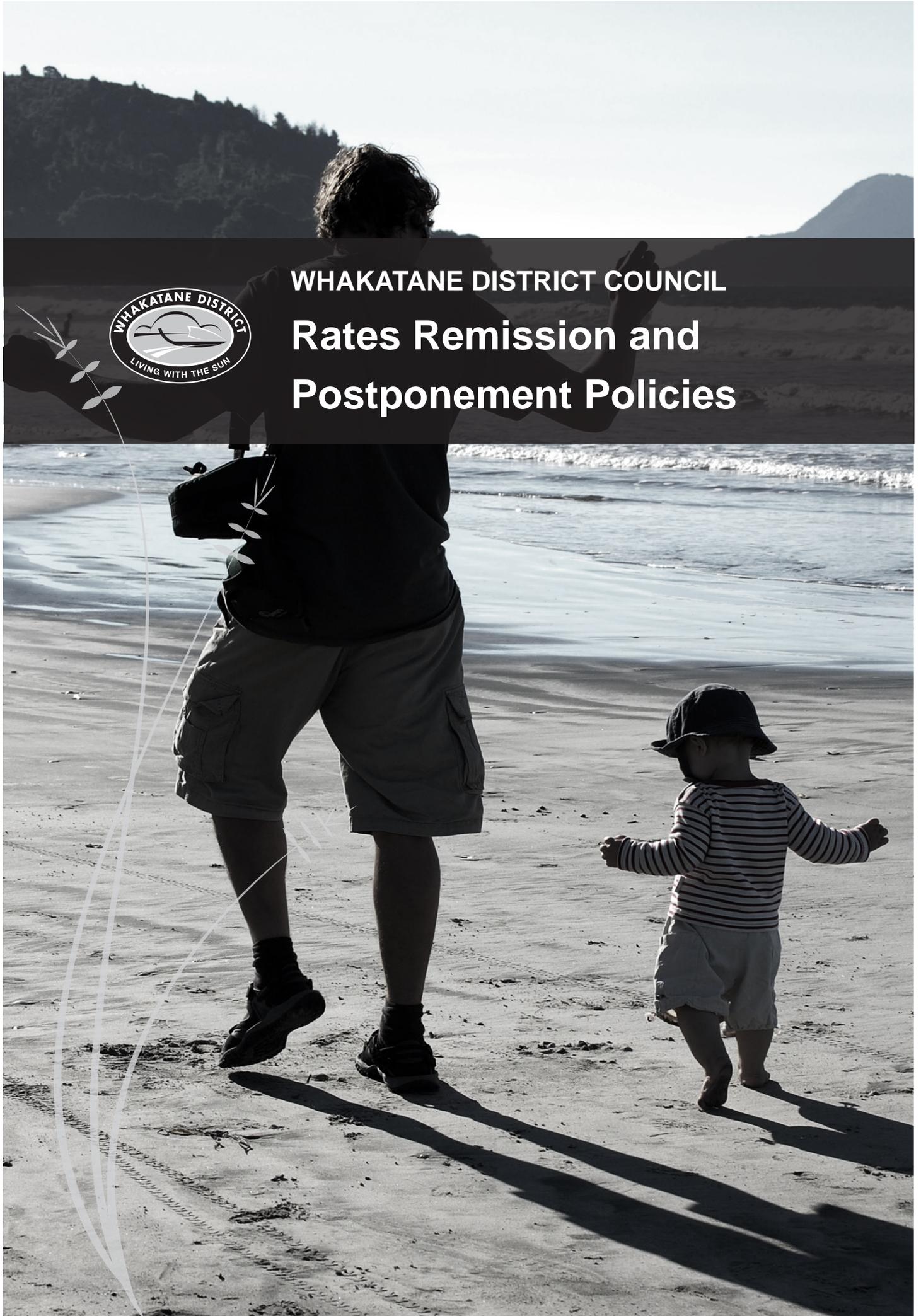




WHAKATANE DISTRICT COUNCIL

# Rates Remission and Postponement Policies







## RATES REMISSION AND POSTPONEMENT POLICIES

Adopted 27 June 2012

In order to allow rates relief where it is considered fair and reasonable to do so, the Council has adopted a number of policies to define the circumstances under which the payment of rates may be remitted or postponed.

Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur.

Under the Local Government Act 2002 (LGA) the Council “may” adopt remission and postponement policies under the LGA but these are not mandatory. Where the Council does choose to adopt such policies, these must be reviewed every three years using the special consultative procedure outlined in the LGA. The last review of these policies was undertaken in 2012.

The following remissions and postponement policies are covered in this document:

- P.2 Remission for rating units affected by calamity
- P.3 Remission of Uniform Annual General Charge and targeted rates (contiguous properties)
- P.4 Rates remission for penalties on unpaid rates
- P.5 Rates remission for water-by-meter rates due to leak detection
- P.6 Rates remission for education institutions sewerage (pan) charges
- P.7 Rates remission for extreme financial hardship
- P.9 Remission of outstanding rates and penalties on undeveloped sections

## **RATES REMISSION & POSTPONEMENT FOR A RATING UNIT AFFECTED BY NATURAL CALAMITY**

### **1.0 Objective of the Policy**

The objective of this policy is to permit the Council to postpone and/or remit part or whole of the rates assessed on any land that has been detrimentally affected by erosion, subsidence, submersion, or other natural calamity.

### **2.0 Conditions and Criteria**

The Council may postpone and/or remit part or all of the rates charged on a rating unit if:

- Land is detrimentally affected by erosion, subsidence submersion, or other natural calamity to such an extent that it is unable to support the activity for which it was used immediately prior to the calamity. For example a residence or commercial building that is unable to be occupied as a result of a natural calamity.
- Where it is considered that the detrimental effect is likely to be of a temporary nature, the rates will be postponed for the duration of that period or such longer period as may be determined in any particular case.
- At the end of the postponement period the council may, in its sole discretion, extend the postponement for a further period to a fixed date, or require that part or all of the postponed rates be paid.
- Applications must be in writing and must be made within a period of 12 months from the date on which the event occurs.
- There will be no backdating of rates remissions prior to the start of the rating year in which the event occurred.

### **3.0 Rates to be Remitted**

Any postponed rates that in accordance with 2.2, are not further postponed and are not required to be paid will be deemed to have been remitted.

### **4.0 Delegation**

That the delegated authority for this policy is set out in the Delegations Register.

## REMISSION OF UNIFORM ANNUAL GENERAL CHARGE AND TARGETED RATES

### 1.0 Objective of the Policy

The objective of this remission policy is to apply the Uniform Annual General Charge and Fixed Charges on a fair and equitable basis to ratepayers. Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

- In the same ownership, and
- Used jointly as a single unit, and
- Contiguous or separated by a road, railway, drain, water race, river or stream.

This Policy provides for the possibility of a rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate. In addition, it provides for remission of uniform annual general charges (UAGCs) and/or targeted fixed charge rates where a rating unit is liable for multiple charges but it is considered inequitable or excessive to assess full charges. This Policy may also be applied to individual lots for subdivisions, before the titles are sold.

### 2.0 Conditions and Criteria:

- 2.1. The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit, so long as the contiguous rating unit does not contain any habitable dwellings.
- 2.2 The remission will be the uniform annual general charge plus targeted fixed charge rates, on all but one rating unit where all of these rating units are:
  - subdivided into 5 or more lots where the titles have been issued; and
  - owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and
  - originally contiguous or separated only by road, railway, drain, water race, river or stream.

### 3.0 Rates to be Remitted

Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charges (UAGC's) and any targeted rates set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

### 4.0 Delegation

That the delegated authority for this policy is set out in the Delegations Register.

## RATES REMISSION FOR PENALTIES ON UNPAID RATES

### 1.0 Objective of the Policy

The objective of the remission policy 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 due date.

### 2.0 Conditions and Criteria:

- In this part of this policy, the term “Individuals” means ratepayers who are natural persons. Penalties will be remitted where an applicant meets any of the following criteria: -
- Individuals on benefits or other low-incomes or who have been made redundant/unemployed, without substantial other means and who have exhausted all other avenues of relief.
- Individuals suffering significant family disruption, e.g. serious illness or accident of self or a close family member, death of a close family member, marriage or separation/divorce.
- Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.
- Individuals who are no longer able to manage their own affairs because of age and/or health and another person has assumed responsibility for the payment of accounts, etc. (Limited to one application per ratepayer)
- Individuals who contact Council prior to a penalty date to advise that they will not have funds available to pay the instalment charge until after the due date, and payment is effected within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer)
- Ratepayers who have paid within 7 days after the due date, and who have not previously incurred a penalty for late payment. (Limited to one application within any two (2) year period for any particular ratepayer)

### 3.0 Ratepayers where:

- There is a proven problem with the delivery of instalment notices to a particular area, i.e. letter of confirmation from New Zealand Post.
- There is a delay with overseas postage. (Limited to one penalty for any particular ratepayer)
- Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.
- Applications for remission of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.
- Rates (excluding the penalty) should be paid in full before remission is considered, except where provision is made for the remission of penalties prior to full repayment where regular payment plans, extending beyond 12 months, are in place and performing satisfactorily.

### 4.0 Delegation

That the delegated authority for this policy is set out in the Delegations Register.

## RATES REMISSION FOR WATER LEAKAGE

### 1.0 Objective of the Policy.

The objective of the remission policy is to enable the Council to act fairly and reasonably to reduce accounts that are unusually high due to leakage and there is clear evidence of timely repairs.

### 2.0 Conditions and Criteria:

- This policy applies only to targeted rates for water supply.
- A remission for leakage may be made where a ratepayer produces evidence of a timely repair of a leak.
- A Timely Repair means a repair completed within 30 days of the date of the invoice to which the application refers.
- The remission will be calculated in accordance with the following formula:  
50% of [ A – B ] x C

Where:

- A: is current consumption as recorded by the water meter
- B: is the estimated normal consumption for the period (this is the average of water used during the same period based on the previous two years).
- C: is the targeted water supply rate applicable to the invoice

Or in the case of the Plains scheme:

- A: is allocated plus excess consumption as recorded by the water meter
- B: is the estimated normal allocated plus excess consumption for the period
- C: is the targeted water supply rate applicable to the invoice

- Any remission under this policy will be limited to one application within any two year period from any particular ratepayer, per meter.
- Applications under this policy must be in writing and must be made by the ratepayer of the rating unit concerned.

### 3.0 Delegation

That the delegated authority for this policy is set out in the Delegations Register.

## RATES REMISSION FOR EDUCATIONAL INSTITUTIONS SEWAGE (PAN) CHARGES

### 1.0 Objective of the Policy

The objective of this remission policy is to enable the Council to reasonably rate educational institutions for sewerage disposal, having regard to the number of water closets and urinals needed for the number of staff and students rather than for the actual number of water closets and urinals available.

### 2.0 Conditions and Criteria:

This policy will apply to the following educational establishments:

- a state school under section (2)(1) of the Education Act 1989;
- an integrated school under section (2)(1) of the Private School Conditional Integration Act 1975;
- a special institution under section 92(1) of the Education Act 1989; or
- an early childhood centre under section 308(1) of the Education Act 1989, but excluding any early childhood centre operating for a profit.

This Policy does not apply to schoolhouses.

Upon receipt of an annual written application from the educational establishment, including an annual return of staff and student numbers, the Council may remit the number of pan charges in excess of the deemed number of pans. The excess number of pans will be the number of water closets and urinals available, less the deemed number of pans. The deemed number of pans will be calculated as follows:

$(\text{Number of Staff} + \text{Number of Students})/20 = \text{Deemed number of pans}$ .

The number of staff in an educational establishment is the number of teaching staff and administration staff employed by the educational establishment on 1 March immediately before the year to which the charge relates. The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates. If the actual number of water closets and urinals for the educational establishment exceeds the deemed number of pans, Council will remit the difference.

### 3.0 Rates to be Remitted

The number of pan charges for rates remission shall be “the number of water closets and urinals available less the number of deemed water closet and urinals”.

### 4.0 Delegation

That the delegated authority for this policy is set out in the Delegations Register.

## RATES REMISSION & POSTPONEMENT FOR FINANCIAL HARDSHIP

### 1.0 Objective of the Policy:

To enable Council to provide reasonable assistance to ratepayers whose financial circumstances affect their ability to pay their rates.

### 2.0 Part I - Postponements In Cases Of Financial Hardship

#### Conditions and Criteria:

- 2.1. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant 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.
- 2.2. 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.
- 2.3. An application will only be considered where the following criteria are met:-
  - (i) The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application.
  - (ii) The rating unit must be the ratepayer's normal place of residence.
  - (iii) The ratepayer must not own any other rating units, investment properties or other realisable assets.
  - (iv) The ratepayer must make application to the Council on the prescribed form.
- 2.4. Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- 2.5. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
- 2.6. The Council will add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.
- 2.7. Any postponement will apply from the beginning of the rating year in which the application made.
- 2.8. Where an application is granted, the rates will be postponed until the earlier of: -
  - (i) the death of the ratepayer(s); or
  - (ii) until the ratepayer(s) ceases to be the owner of the rating unit; or
  - (iii) until the ratepayer(s) ceases to use the property as his/her residence; or
  - (iv) until a date as determined by the Council in any particular case.

- 2.9. 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.
- 2.10. Postponed rates will be registered as a statutory land charge on the title of the rating unit.
- 2.11. The financial consideration of the postponement fee to be added under clause 2.6 will be an annual interest rate to be set by the Council by ordinary resolution at the time of setting the rates for any rating year.
- 2.12. The interest rate to be set under clause 2.11 will be set so as to be neutral (or as close to neutral as is reasonably possible) on Council's cash flows.

### 3.0 Part II - Remission In Cases Of Extreme Financial Hardship

#### Conditions and Criteria:

- 3.1. When considering whether extreme financial hardship exists, all of the ratepayers personal circumstances will be relevant including but not limited to the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayers age, physical or mental disability, injury, illness and family circumstances.
- 3.2. If after full enquiry, the Council is satisfied that extreme financial hardship exists or would be caused to the ratepayer, by requiring payment of the whole of the rates, it may remit part or all of the rates.
- 3.3. If under Clause 3.2 the Council remits part of the rates, it may postpone the balance or any part of the balance under Part I of this policy.
- 3.4. Any remission granted under this part of this policy will not apply to future years.
- 3.5. Applications must be in writing by or on behalf of the ratepayer and will only be considered where the following criteria are met:-
  - (i) The ratepayer must be a natural person
  - (ii) The ratepayer must have continuously owned and occupied for not less than the immediate past ten years, and continue to own and occupy the rating unit which is the subject of the application, as their normal place of residence.
  - (iii) The ratepayer must not own any other rating units, investment properties or other realisable assets.

#### Delegation

That the delegated authority for this policy is set out in the Delegations Register.

## RATES REMISSION FOR OUTSTANDING RATES AND PENALTIES ON UNDEVELOPED SECTIONS

Remission of outstanding rates and penalties on:

- undeveloped sections, or;
- those rating units where the building(s) have been removed, or;
- where buildings are in a derelict state

AND

- where those rating units are purchased by the owner(s) of a rating unit that is contiguous to or is separated from the rating unit in question only by a road, railway, drain, water race, river or stream

AND

- the two rating units are used as one residential unit, or;
- where the rating units have been subject to a rating sale under Section 67 of the Local Government (Rating) Act 2002

### 1.0 Objective of the Policy

The objective of this Policy is to facilitate the purchase of vacant rating units (sections) by adjoining property owners to enhance the social and environmental well-being of the community and to facilitate the land being brought back into use so that it may contribute towards the rating revenues of the District in future years.

### 2.0 Conditions and Criteria:

The Council will postpone outstanding rates and outstanding rates penalties owing on a rating unit for a period of up to five years or until the purchaser of the rating unit applies for a building consent for the construction of a building on the rating unit, whichever comes first, as defined in the Whakatane District Plan if:

- a) That rating unit is undeveloped, the building(s) have been removed or are in derelict state AND the rating unit is purchased by the owner of adjoining property such that section 20 of the Local Government (Rating) Act 2002 is satisfied; or
- b) The rating unit has been the subject of a rating sale under section 67 of the Local Government (Rating) Act 2002 and such sale has produced insufficient funds to clear all of the rates and penalties owing, and, in either case.

### 3.0 Rates to be Remitted

After a period of five years from the date any such postponement comes into effect and the rates payable from the rating unit continue to be paid in full for that rating unit for the same period the Council may remit the postponed rates in full.

### 4.0 Delegation

That the delegated authority for this policy is set out in the Delegations Register.