

REMISSION AND POSTPONEMENT POLICIES

1.0 INTRODUCTION

In order to allow rates relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission or postponement. There are various types of remission and postponement and the circumstances under which these are considered may be different. The conditions and criteria relating to each type of remission or postponement are set out in the following pages, including the objectives of the Policy.

1.1 Key Definitions

Non-Rateable land is land that is not rateable under the Local Government (Rating) Act 2002 or any other Act which states that the land is non-rateable.

Land that is non-rateable under the Local Government (Rating) Act 2002 is detailed under Part 1 and Part 2 of Schedule 1 of this Act.

Remitted rates means rates for which the requirement to pay is remitted.

Postponed rates means rates for which the requirement to pay is postponed.

Māori freehold land means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5, Local Government (Rating) Act 2002).

2.0 RATES REMISSION FOR A RATING UNIT AFFECTED BY NATURAL CALAMITY

2.1 Objective of Policy

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other natural calamity.

2.2 Conditions and Criteria

The Council may remit the rates charged on a rating unit if:

- 1 Land is detrimentally affected by erosion, subsidence submersion, or other natural calamity.
- 2 The land is unable to support the activity for which it was used prior to the calamity. For example a residence or commercial building that is unable to be occupied as a result of a natural calamity.
- 3 Rates remissions will only be considered and made following the receipt of an application by a qualifying property for the financial year in which the application was received. There will be no backdating of rates remissions.

2.3 Rates to be Remitted

Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties.

2.4 Delegation

Decisions on the remission of rates charged on land that has been affected by erosion, subsidence, submersion, or other natural calamity will be delegated to the Chief Financial Officer.

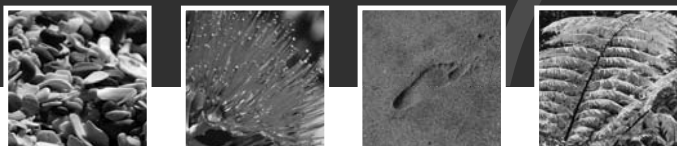
3.0 RATES REMISSION FOR RESIDENTIAL LAND IN COMMERCIAL, INDUSTRIAL OR RURAL AREAS

3.1 Objective of Policy

The objective of this remission policy is to ensure that ratepayers of residential rating units situated in commercial, industrial or rural areas are not unfairly penalised by the zoning decisions of the Council.

3.2 Conditions and Criteria

- 1 To qualify for rates remission under this Policy the rating unit must:
 - (a) be used solely for residential purposes and be situated within an area of land that has been zoned for commercial, industrial or rural use. (Ratepayers can ascertain the zoning of their property by inspecting the Whakatane District Council District Plan, copies of which are available at the Council Offices).
 - (b) the residential property has a value that is at least 20% greater than similar properties that are located in a residential zone area.



- 2 Upon receipt of an application, staff will request the Council's valuation service provider to determine a valuation that will "value the rating unit as if it were located in a comparable area that is zoned "residential". The ratepayer may be required to contribute 50% of the cost of valuation prior to the valuation being carried out.

3.3 Rates to be Remitted

The amount of remission granted under this Policy will be limited to the difference between the rates charged on the original value and the rates chargeable on the "residential value" of the property.

3.4 Delegation

Decisions on rates remissions under this policy will be delegated to the Chief Financial Officer, who will grant a rates remission being the difference between the rates charged on the original value and the rates chargeable on the "residential value" of the property.

4.0 RATES REMISSION OF UNIFORM ANNUAL GENERAL CHARGE AND TARGETED RATES IN CERTAIN CIRCUMSTANCES

4.1 Objective of 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.

4.2 CONDITIONS AND CRITERIA:

- 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.
- 2 Contiguous rating units in the same ownership will be treated as a single unit where any of the following circumstances exist:
 - One unit is used as a private residence and the contiguous unit(s) is used solely as a garden or similar private part of the grounds only in connection with the residence.
 - One unit is used solely for vehicle parking in conjunction with a building on a contiguous rating unit in the same ownership.
- 3 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:
 - (a) subdivided into 5 or more lots where the titles have been issued; and

- (b) owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and

- (c) originally contiguous or separated only by road, railway, drain, water race, river or stream.

4.3 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.

4.4 Delegation

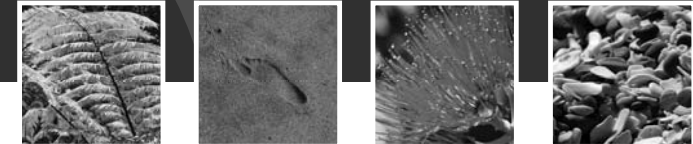
Decisions on rates remission under this policy will be delegated to the Chief Financial Officer.

5.0 RATES REMISSION FOR PENALTIES ON UNPAID RATES

5.1 Objective of Policy

The objective of this remission policy is to enable the Council to act fairly and reasonably in its consideration of penalties charged on rates which have not been received by the Council by the due date.

The intention is to have a fair and equitable approach to penalties. The Council's intention is that this is a method of encouraging payment on time, not a source of revenue.



5.2 Conditions and Criteria

- 1 Upon receipt of a written application from the ratepayer, the Council may remit penalty where it considers that it is fair and equitable to do so. Matters that will be taken into consideration by the Council include the following:
 - (a) 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.
 - (b) Remission may be granted where late payment has arisen for an acceptable genuine reason or extra-ordinary event.
 - (c) The past payment history of the ratepayer is to be considered in all circumstances.
 - (d) There should have been an established regular payment arrangements plan, which has been performing satisfactorily, resulting in the reduction of rate arrears.
- 2 The Council reserves the right to impose conditions on the remission of penalties.

5.3 Rates to be Remitted

Remissions up to the total amount of penalties charged on a rating unit may be applied to qualifying properties.

5.4 Delegation

That the delegated authority for the remission of penalties be set at:

Chief Executive	Over \$2,000.00
Chief Financial Officer	Up to \$2,000.00
Rates and Revenue Team Leader	Up to \$1,000.00

6.0 RATES REMISSION FOR WATER-BY-METER RATES DUE TO LEAK DETECTION

6.1 Objective of Policy

The objective of this remission policy is to enable the Council to act fairly and reasonably to reduce accounts that are unusually high due to a water leak and there is evidence that the repairs have been carried out within 30 days of the Water Account being issued.

This Policy is to provide some relief to metered water users, however the responsibility for water leaks beyond the water meter is ultimately the owners' and any water rates remitted will be a cost to other water users.

6.2 Conditions and Criteria:

- 1 Upon obtaining satisfactory evidence of there having been a water leak and the property owner has repaired the leak within the Policy timeframe, the Council will remit part of the additional water consumed as measured by meter due to a water leak.
- 2 This policy applies only to targeted rates for water-by-meter and excess water usage charges, where applicable.
- 3 Any remission under this policy will be limited to one application within any five year period for any particular meter.
- 4 This policy applies only to leaks that are from pipe work that is underground or within the concrete slab foundation.

6.3 Rates to be Remitted

The water rates relating to leakage will be determined by "the total water consumption for the period less the normal water consumption." The normal water consumption shall be calculated as the "average water consumption over the previous two years".

The remission for water leakage (excluding normal consumption) will be calculated in accordance with the following formulae:

- For water consumption rates arising from leakage, remit up to 50% of the water consumption rates attributable to leakage.

(The penalty being the difference between the amounts arising from leakage less the remission).

6.4 Delegation

Decisions on rates remission under this policy will be delegated to the Chief Financial Officer.

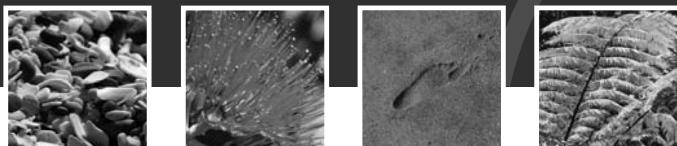
7.0 RATES REMISSION FOR EDUCATIONAL INSTITUTIONS SEWAGE (PAN) CHARGES

7.1 Objective of 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.

7.2 Conditions and Criteria:

1. This policy will apply to the following educational establishments:



- (a) a state school under section (2)(1) of the Education Act 1989;
 - (b) an integrated school under section (2)(1) of the Private School Conditional Integration Act 1975;
 - (c) a special institution under section 92(1) of the Education Act 1989; or
 - (d) an early childhood centre under section 308(1) of the Education Act 1989, but excluding any early childhood centre operating for a profit.
2. This Policy does not apply to schoolhouses.
 3. 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.
 4. The deemed number of pans will be calculated as follows:

$$\frac{\text{Number of Staff} + \text{Number of Students}}{20} = \text{Deemed number of pans}.$$
 5. 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.
 6. 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.
 7. If the actual number of water closets and urinals for the educational establishment exceeds the deemed number of pans, Council will remit the difference.

7.3 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”.

7.4 Delegation

Decisions on rates remission under this policy will be delegated to the Chief Financial Officer.

8.0 RATES POSTPONEMENT FOR EXTREME FINANCIAL HARDSHIP

8.1 Objective of Policy

The objective of this postponement policy is to assist ratepayers experiencing extreme financial circumstances/hardship which affects their ability to pay their rates.

8.2 Conditions and Criteria:

1. Upon receipt of a written application from the ratepayer, the Council will consider on a case by case basis, all applications received that meet its criteria and conditions:
 - (a) Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration from rates postponement for extreme financial circumstances.
 - (b) When considering whether extreme financial circumstances/hardship exists, all of the ratepayer’s financial circumstances will be relevant including, assets owned and any encumbrances placed on those assets.
 - (c) The person entered on the Council’s rating information database as the ratepayer and seeking a rates remission because of extreme

financial hardship must not own, or have an interest in any other rating units, investment properties (whether in the District or another district), or realisable assets.

- (d) Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates for normal health care and proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

8.3 Rates to be Postponed

The approved postponement will only apply for the rating year in which the application is made.

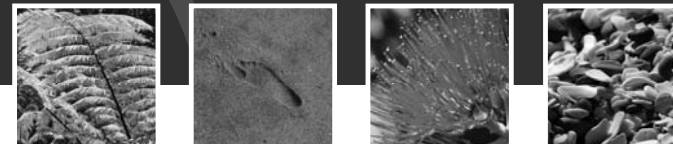
Rates under this policy will be postponed until:

- (a) the death of the ratepayer(s); or
- (b) the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- (c) the ratepayer(s) ceases to use the property as his/her residence; or
- (d) the circumstances of the ratepayer(s) no longer meet the conditions and criteria for providing a rates postponement; or
- (e) a time specified by the Council.

Rates postponement (for all or part) may be applied to all rates charged on qualifying properties with the exception of targeted rates for water, sewerage and refuse collection.

8.4 Delegation

Decisions on rates postponement under this policy will be delegated to the Chief Financial Officer.



9.0 REMISSION OF OUTSTANDING RATES AND PENALTIES ON UNDEVELOPED SECTIONS

Remission of outstanding rates and penalties on:

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

AND

- (iv) 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

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

9.1 Objective of 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.

9.2 Conditions and Criteria:

1. 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.

9.3 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.

9.4 Delegation

Decisions on rates remission under this policy will be delegated to the Chief Financial Officer.