



Rates remission and postponement policies

Document Management and Control

Title	Rates Remission and Postponement Policies 2021
Sponsor	Group Manager Business Support
Approved by	Hauraki District Council
Adoption date:	23 June 2021
Review by:	June 2024
File ref:	2862506 v.3

Property of Hauraki District Council

Rates remission and postponement policies

Natural Disasters and Emergencies

Section 85 Local Government (Rating) Act 2002

Remission of rates:

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

This policy is to provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more rating units capacity to be inhabited, used or otherwise occupied for an extended period of time.

Conditions and Criteria

The Council may:

- on written application from the ratepayer of rating units affected by a natural disaster or emergency remit up to 100% of rates levied.
- consider voiding the need for an application, and remit up to 100% of rates levied for any rating unit, or group of rating units collectively, affected by a natural disaster or emergency.

Each application will be considered on its merits and applications for remission under this policy will be considered and approved or rejected by a full meeting of Council.

Remission of Penalties

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act, 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

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 penalty date.

Conditions and Criteria

The Council may remit the penalty rates where the application meets the following criteria:

- (1) Automatic remission of the penalties incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment.
- (2) Automatic remission of the instalment penalties incurred during the year will be made where the ratepayer is paying by quarterly, fortnightly, or weekly arranged payments, and all rates owing have been paid by 30 June.
- (3) Proportionate remission of an instalment penalty will be considered where payment has been made in accordance with the following time frame, and provided the ratepayer has a good prior payment history. Good payment history takes into account the occasions when ratepayers have paid previous instalments on time. Penalty proportions remissible are:
 - Payment within two weeks of penalty date – 100%
 - Payment within four weeks of penalty date – 75%
 - Payment within eight weeks of penalty date – 50%
 - Payment within twelve weeks of penalty date – 25%
 - Payment after twelve weeks of penalty date – 0%.
- (4) Future penalties may be remitted where a ratepayer makes suitable arrangements for the regular reduction of arrears. Substantial compliance with the payment arrangement is a precondition to penalty remission. Past penalties may be remitted where a ratepayer has paid all arrears, and has co-operated with Council in taking appropriate steps to reduce the balance outstanding.
- (5) Penalties may be remitted where Council is convinced that it would be unfair and unreasonable not to remit the penalties.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Uniform Annual General Charges on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - (a) the local authority has adopted a remission policy under section 109 of the Local Government Act, 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

This policy is to provide for the possibility of rates remission where two or more uniform annual general charges or targeted rate annual charges are levied on contiguous, separately owned rating units which have the same occupier who is using the rating units jointly as a single property and for a single purpose.

Conditions and Criteria

The Council may remit the rates where the application meets the following criteria:

- (1) The rating units must be contiguous and have the same occupier who uses them jointly as a single property and for a single purpose.
- (2) An annual application is required to confirm the properties are used jointly as a single entity.
- (3) The Council may on written application from the ratepayers of such rating units:
 - (a) Remit 50% of the uniform annual general charge assessed on each rating unit apart from the first or principal rating unit;
 - (b) Remit 100% of any targeted rates, where the factor is the rating unit apart from those assessed on the first or principal rating unit.

Any remission granted under this policy will be applied equally across all rating units for which an application has been made.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Excess Water Rates

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

This policy is to standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit.

Conditions and Criteria

The Council may remit the excess water rates where the application meets the following criteria:

- (1) The policy will apply to written applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation.
- (2) The application is submitted by the applicant within 60 days of the due date of an invoice.
- (3) That the applicant supplies sufficient evidence that the fault in their reticulation has been fixed.
- (4) That the ratepayer be charged the full charge for the expected consumption.
- (5) That the consumption in excess of expected consumption be charged at 0% - 50% of the standard rate per cubic metre.
- (6) That no remission will be given where excessive usage over more than one reading period has been caused by multiple faults unless there are exceptional circumstances.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Water Rates to Particular Rating Units

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002;
and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

This policy is to standardise procedures for the treatment of water rates where an agreement has been made between Council and ratepayer(s) for a discounted water rate.

Conditions and Criteria

The Council may remit water rates in excess of the amount agreed between Council and the ratepayer(s) where the water rates meet the following criteria:

- (1) The agreement must have been approved by Council.
- (2) The ratepayer must have a good prior payment history. Good payment history takes into account the occasions when ratepayers have paid previous instalments of water rates, and other rates, on time.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Rates Assessed in Error

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

This policy is to enable the Council to remit rates that have been assessed in error for any rating unit.

Conditions and Criteria

The council may remit rates that have been assessed in error where the application meets the following criteria:

- (1) Council may remit up to 100% of rates where Council has assessed the rates incorrectly. Council will remit the difference between the incorrect rate and a lesser correct rate.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Rates on Multiple Owned Māori Freehold Land

Policy on Remission and Postponement of Rates on Māori Freehold Land:

- (1) If a policy adopted under section 102(4)(f) provides for the remission of rates on Māori freehold land, the policy must state:
 - (a) the objectives sought to be achieved by the remission of rates; and
 - (b) the conditions and criteria to be met in order for rates to be remitted.
- (2) If a policy adopted under section 102(4)(f) provides for the postponement of the requirement to pay rates on Māori freehold land, the policy must state:
 - (a) the objectives sought to be achieved by a postponement of the requirement to pay rates; and
 - (b) the conditions and criteria to be met in order for the requirement to pay rates to be postponed.
- (3) For the avoidance of doubt, a policy adopted under section 102(4)(f) is not required to provide for the remission of, or postponement of the requirement to pay, rates on Māori freehold land.
- (4) In determining a policy under section 102(4)(f), the local authority must consider the matters set out in Schedule 11.
- (5) For the purposes of this section, the term "rates" includes penalties payable on unpaid rates.

Objectives of the Policy

- (1) To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.
- (2) Where only part of a block is occupied to grant remission for the portion of land not occupied.
- (3) Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

Conditions and Criteria

- (1) The land must be multiple-owned and unoccupied Māori freehold land that does not produce any income and is not being used for the benefit of any individual or group.
- (2) Council may remit up to 100% of rates, including all outstanding rates.
- (3) A request for rates remission by the owners must include:
 - (a) Details of the land; and
 - (b) Documentation that shows the ownership of the land; and
 - (c) Reasons why remission is sought
- (4) 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.
- (5) If circumstances change in respect of the land, the Council will review whether this remission policy is still appropriate to the land.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Rates on Landlocked Land

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

- (1) To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.
- (2) Where only part of a block is occupied to grant remission for the portion of land not occupied.
- (3) Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

Conditions and Criteria

- (1) The land must be landlocked land that does not produce any income.
- (2) Council may remit up to 100% of rates, including all outstanding rates.
- (3) A request for rates remission by the owners must include:
 - (a) Details of the land; and
 - (b) Documentation that shows the ownership of the land; and
 - (c) Reasons why remission is sought
- (4) 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.
- (5) If circumstances change in respect of the land, the Council will review whether this remission policy is still appropriate to the land.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Multiple Pan Charge Wastewater Rates

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

The objective of this remission policy is to enable the Council to partly remit wastewater rates for each separately used or inhabited part of a rating unit (SUIP) that has multiple wastewater pan charges.

Conditions and Criteria

Where a separately used or inhabited part of a rating unit (SUIP) pays more than two wastewater pan charges, all pan charges will be partly remitted as follows:

SUIP's with 3 to 4 pan charges	25% remission
SUIP's with 5 to 6 pan charges	33% remission
SUIP's with 7 to 8 pan charges	37.5% remission
SUIP's with 9 to 10 pan charges	40% remission
SUIP's with 11 to 15 pan charges	52% remission
SUIP's with 16 to 20 pan charges	57.5% remission
SUIP's with more than 20 pan charges	63% remission

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Remission of Wastewater Rates Assessed on Educational Establishments

Clause 6, Pt 1, Schedule 1 Local Government (Rating) Act 2002

Land owned or used by, and for the purposes of:

- (a) a special school established under section 98(1) of the Education Act, 1964
- (b) an educational establishment defined as:
 - (i) a state school under section 2(1) of the Education Act, 1989:
 - (ii) an integrated school under section 2(1) of the Private Schools Conditional Integration Act, 1975:
 - (iii) a special institution under section 92(1) of the Education Act, 1989:
 - (iv) an early childhood centre under section 308(1) of the Education Act, 1989, excluding any early childhood centres that operate for profit:
 - (v) a school under section 35A of the Education Act, 1989, excluding any registered schools that operate for profit.

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

The objective of this remission policy is to enable the Council to remit wastewater rates assessed on educational establishments to the extent that they exceed Council's roll-based formula.

Conditions and Criteria

Where a rating unit comprises an educational establishment as defined above, Council may remit any wastewater rates in excess of:

- (1) The rates that would have been charged if the number of water closets/urinals was equal to one water closet/urinal per twenty students or staff, or part thereof.
- (2) Any dwellings that may comprise part of an educational establishment will not receive any remission under this policy.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Rates Remissions - Rating of Low Value Land Units

Section 85 Local Government (Rating) Act 2002

Remission of rates:

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a [rates remission policy under section 109 of the Local Government Act, 2002]; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

The introduction of the Local Government (Rating) Act, 2002 requires each separate title to have a separate valuation/rating unit. This has resulted in many low capital value rating units being created.

The objective of this policy is to provide relief from uniform annual charges on rating units that have low valuations.

Conditions and Criteria

- (1) Council may on written application from the ratepayer of rating units with a capital value less than \$10,000:
 - (a) Remit 100% of all targeted rates where the factor is the rating unit, other than the Uniform Annual General Charge or any rates levied under section 9 of the Local Government (Rating) Act 2002 (that is, targeted rates for water supply, sewage disposal or waste collection).
- (2) Rating Units that qualify for the Remission of Uniform Annual General Charges on Contiguous Rating Units shall have that remission policy applied and will not qualify for remission under this policy.
- (3) The applicant must renew the application for remission every three years.
- (4) Where there is a change of ownership of the rating unit the new owner must make a separate application for remission.
- (5) Where the owner of the property is not readily identifiable, or is not readily contactable, Council may remit the rates specified without receiving an application from the ratepayer.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Rates Remissions – Voluntarily Protected Land

Section 85 Local Government (Rating) Act 2002

Remission of rates:

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a [rates remission policy under section 109 of the Local Government Act 2002]; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

This policy is to encourage and promote the conservation and protection of land.

Conditions and Criteria

- (1) Each application will be considered on its merits.
- (2) To qualify for remission under this part of the policy a rating unit or part of the rating unit must be the subject of a:
 - (a) QEII Open Space Covenant, similar DOC Covenant (in which case 100% remission of all rates will apply), or
 - (b) the likes of a DOC Management Agreement under the Reserves Act or Conservation Act (in which case 50% remission of some or all rates may apply), or
 - (c) directly covenant with Council and not be receiving any other form of rating relief.
- (3) Other matters taken into account in determining whether a rating unit qualifies for remission will include:
 - (a) The degree to which significant natural features worthy of conservation and protection are present on the land;
 - (b) The degree to which such significant natural features inhibit the economic utilisation of the land;
 - (c) The extent to which to conservation and protection of such significant natural features would be promoted by the remission of rates;
 - (d) The ability or potential of the public to enjoy the significant natural features.
- (4) Applications must be in writing, supported by documentary evidence of the protected status.
- (5) The remission will only apply to the area of land protected.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Rates Remissions – Community, Sporting and other Organisations

Section 85 Local Government (Rating) Act 2002

Remission of rates:

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a [rates remission policy under section 109 of the Local Government Act 2002]; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objectives of the Policy

- (1) To assist organisations providing non-business community and recreational services which meet the needs of residents.
- (2) To make membership of such organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.
- (3) To improve the equity of rating between similar community, sporting or other organisations across the Hauraki District.

Conditions and Criteria

- (1) Council may remit up to 100% of the rates on land which is used primarily for sporting or community purposes so that the net rating affect for that organisation is the same as though it had been conducting that purpose on Council land and would have been non rateable under clause 4(b) Part 1 Schedule 1 under the Local Government (Rating) Act 2002.
- (2) Where only a portion of a property is primarily used for the qualifying purpose a portion of the rates may be remitted.
- (3) The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- (4) The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- (5) For the purposes of clarity properties owned and occupied by the Returned Servicemen's Association of New Zealand are deemed to qualify for remission under this policy.
- (6) The policy shall apply to such organisations as approved by the Group Manager Business Support and the Group Manager Service Delivery as meeting the relevant criteria.
- (7) The extent of any remission to any qualifying organisation shall be as determined by the Group Manager Business Support and the Group Manager Service Delivery.
- (8) No remission will be granted in respect of those rates referred to in section 9 of the Local Government (Rating) Act 2002 (that is, targeted rates for water supply, sewage disposal or waste collection).

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy.

Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Rates Remissions of Multiple Dwellings in One Complex

Section 85 Local Government (Rating) Act 2002

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - (a) the local authority has adopted a remission policy under section 109 of the Local Government Act, 2002; and
 - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Objective of the Policy

The objective of this policy is to improve the equity of rating between developments which have multiple dwellings on one large block of land under one title and housing developments on a large block of land which have separate titles for each occupied portion. These are typically retirement villages or complexes but can be any multiple dwelling complexes across the Hauraki District.

This policy is an interim measure until rating of residential properties is carried out using separately used or inhabited parts of rating units (SUIPs) for rates where the rate is an annual charge type rate. Council has resolved to investigate implementing SUIPs for the rating of all annual charges during the 2021-31 long term plan period.

Conditions and Criteria

The Council may remit rates where the application meets the following criteria:

- (1) The property must be a rating unit within a residential development or complex that has a minimum number of four rating units.
- (2) The complex has common access ways or other services.
- (3) An application can be made but generally Council staff will action the remission automatically on behalf of the property owners.
- (4) Council may remit rates on each rating unit within the qualifying development so that the individual rating units are rated at the same basis and level as if they were in a single title development as exists elsewhere within the District.
- (5) Any remission granted under this policy will be applied consistently to all qualifying rating units within multiple dwelling developments in the district.

Implementation

The Group Manager Business Support has been delegated authority to grant or refuse remissions under this policy. Any appeals against the decision of the Group Manager Business Support will be referred to the Audit and Risk Committee for final determination.

Postponement of Rates Policy

Section 87 Local Government (Rating) Act 2002

1. A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - (a) the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and
 - (b) the ratepayer has applied in writing for postponement; and
 - (c) the local authority is satisfied that the conditions and criteria in the policy are met.

2. The local authority must give notice to the ratepayer:
 - (a) identifying the postponed rates; and
 - (b) stating when, or in the circumstances, the rates will become payable.

Objective of the Policy

Hauraki District Council does not grant postponed payments.