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KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

RATES REMISSION POLICY

ŌTOROHANGA DISTRICT COUNCIL

JULY 2024



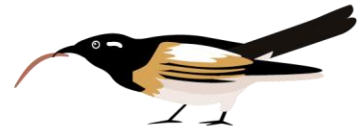
Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly



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APPROVAL AND REVIEW	DETAILS
Approval authority:	Council, CEO
Administrator:	
Effective date:	1 July 2024
Next review date:	30 June 2030 or earlier as required



RATES REMISSION POLICY

GENERAL

Section 85 of the Local Government (Rating) Act 2002 states a council can remit all or part of the rates of a rating unit if a remission policy has been adopted under the Local Government Act. This policy has been prepared in accordance with Section 109 of the Local Government Act 2002¹, and may be amended or revoked using a consultation process that gives effect to the requirements of Section 82 of that Act.

Types of remissions covered by this policy are:

- Instalment penalties
- Arrear penalties
- Community, sporting and other organisations
- Wastewater charges to schools
- Covenanted land including Queen Elizabeth National Trust
- Rating unit affected by calamity
- New subdivisions
- Uniform charges on contiguous properties
- Rating units with a capital value of \$3,000 or less
- Excess water consumption
- Two separately habitable units
- Extreme financial hardship
- Care for the elderly and disadvantaged persons.

The following information is provided for each remission type:

- Objective(s) sought to be achieved by remission of rates
- Conditions and criteria to be met in order for rates to be remitted including penalties payable on unpaid rates.

INSTALMENT PENALTIES

A remission of 100 percent instalment penalties will be granted in the following circumstances, where:

- The ratepayer elects to pay the annual rates by way of a regular payment arrangement to have rates cleared by 31st May of each year.
- The ratepayer has omitted to pay a rates instalment in time due to extraordinary circumstances as approved by the General Manager Business Enablement.
- The ratepayer has missed a penalty date but has otherwise a record of paying rates on time.

OBJECTIVES

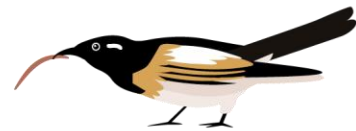
- To facilitate the payment of rates allowing ratepayers to pay their rates by way of an agreed regular payment arrangement over a specified time period.
- To recognise the occurrence of late rates instalment payments in certain circumstances

CONDITIONS AND CRITERIA

- Ratepayers paying their rates by way of payment arrangements must make regular payments of specified amounts, as agreed by the Council.

¹

www.legislation.govt.nz/act/public/2002/0084/latest/DLM172372.html



- The ratepayer has made a late payment, but has made all rates payments on time during the previous three years; or if the ratepayer has owned the property for less than 12 months, from the time they purchased the property.
- The ratepayer can demonstrate that late payment has been made because of extraordinary circumstances.
- The Group Manager Business Enablement has delegated authority to determine whether a request for remission should be granted or refused.

ARREARS PENALTIES WHERE A PAYMENT ARRANGEMENT IS IN PLACE

A remission of 100 percent of arrears penalties may be applied to rates accounts in respect of which a payment arrangement is in place and is being honoured (i.e. regular payments of specified amounts are made as agreed between the ratepayer and Council which will allow outstanding rates to be repaid in full).

OBJECTIVE

To facilitate the payment of rates by allowing ratepayers to pay their rates by way of an agreed payment arrangement.

CONDITIONS AND CRITERIA

- The payment arrangement is being honoured, i.e. ratepayers must pay certain amounts at regular intervals as agreed between the ratepayer and Council.
- If current rates and rate arrears are paid through a payment arrangement, the payments must have the effect of reducing rate arrears, before a remission of arrears penalties is considered.
- In considering whether a remission is granted in respect of rates accounts with outstanding balances, the Council may take into account the reasons for the arrears.
- The Group Manager Business Enablement has delegated authority to grant or refuse remission in respect of accounts with outstanding balances.

COMMUNITY, SPORTING AND OTHER ORGANISATIONS

OBJECTIVES

- To facilitate the on-going provision of non-commercial (non-business) community services and/or sporting and recreation opportunities that meets the needs of Ōtorohanga district's residents;
- To provide rating relief to Council community properties, sporting, recreation and other community organisations; and
- To make membership of the sporting, recreation and other community organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, older persons and economically disadvantaged people.

CONDITIONS AND CRITERIA

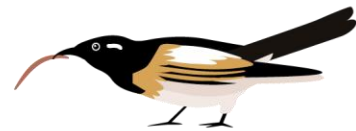
The policy may apply to land owned by the Council which is used exclusively or principally for community purposes, sporting, recreation, or to land which is owned and occupied by a charitable organisation and used exclusively or principally for sporting, recreation or other community purposes.

The policy does not apply to:

- Organisations operated for private pecuniary profit, or those which charge commercial tuition fees; and
- 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.

Under this policy the following rate remission may apply to the Council and those sporting, recreation and other community organisations which qualify, with the exception of targeted rates for water supply, sewage disposal or refuse collection.





- A remission of the 50 percent residual rates will be given to those societies and associations who qualify for the 50 percent non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.

WASTEWATER CHARGES TO SCHOOLS

OBJECTIVE

To provide relief and assistance to educational establishments in paying wastewater charges.

CONDITIONS AND CRITERIA

This policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002. It does not apply to school houses or any part of a school used for residential purposes.

Wastewater charges for schools will be calculated based upon a notional number of pans as follows:

Staff plus pupils² / 20 = number of pans

The wastewater charge for the educational establishment will be charged at:

- 100 percent for the first four pans
- The fifth to tenth pan charges will be discounted to 75 percent
- All pan charges exceeding ten will be discounted to 50 percent.

The policy applies to all wastewater charges including Uniform Targeted Rates and Targeted Rates for debt servicing.

COVENANTED LAND³

OBJECTIVES

- To provide for relief for land where an open-space covenant under Section 22 of the Queen Elizabeth the Second (QE2) National Trust Act 1977 has been registered against the title of a property.
- To provide relief for land where a covenant or consent notice is registered on the title to the land to secure an appropriate interest in perpetuity for conservation, heritage and cultural purposes under the Resource Management Act 1991 or Reserves Act 1977.

CONDITIONS AND CRITERIA

The Local Government (Rating) Act 2002 provides for land owned or used by the QE2 National Trust to be non-rateable.

- Where the land to which the covenant relates remains in the ownership of the ratepayer, the covenanted land will be eligible for a remission of rates.
- Where a covenant or consent notice under the Resource Management Act 1991 as described in the objective above is registered, the covenanted land will be eligible for a remission of rates.

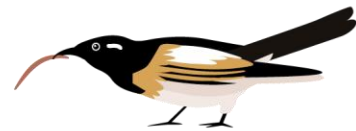
The remission applied will be 100 percent of all rates other than targeted rates for water supply, sewerage disposal and refuse collection.

² Pupil numbers are the number of pupils on the roll at March 1 in the year immediately before the year in which the charge relates. The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

³ It should be noted that there are a number of other types of land, not specified in this policy that are categorized as non-rateable under the Local Government (Rating) Act 2002. Some examples include:

- National Park under the National Parks Act 1980
- Reserve under the Reserves Act 1977
- Conservation area under the Conservation Act 1987.

<https://www.legislation.govt.nz/act/public/2002/0006/latest/DLM133512.html#DLM133513>



RATING UNIT AFFECTED BY CALAMITY

OBJECTIVE

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 calamity.

CONDITIONS AND CRITERIA

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

- The property is detrimentally affected by erosion, subsidence, submersion, declared drought or other natural calamity; or
- The property is unable to support the activity 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 calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property in respect of the financial year in which the application was received. There will be no backdating of rates remissions.

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

NEW SUBDIVISIONS

All Uniform Charges - with the exception of targeted rates for Refuse, Water and Sewerage - may be remitted for the second and subsequent lots of a new subdivision as long as the lots remain unsold and unoccupied.

OBJECTIVE

To facilitate subdivision development in the Ōtorohanga District.

CONDITIONS AND CRITERIA

- The subdivided new lots must be unsold and unoccupied
- Rates remission will apply to the second and subsequent lots of the subdivision.

UNIFORM CHARGES ON CONTIGUOUS⁴ PROPERTIES

All ratepayers will pay at least one set of Uniform Targeted Rates⁵.

OBJECTIVE

To provide for the remission of rates where two or more sets of Uniform Targeted Rates are set on rating units that are:

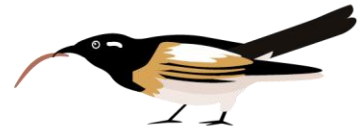
- Contiguous; and
- Owned and/or occupied by the same person or persons; and
- Used jointly for a single residential or farming use.

CONDITIONS AND CRITERIA

- The rating unit must be contiguous
- The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each rating unit will attract a set of uniform targeted rates.
- The rating unit must:
 - In the case of an urban property, be owned by the same ratepayer/s who use the rating units jointly as a single residential property, or

⁴ Definition of Contiguous: Sharing an edge or boundary; touching; or separated only by a road, railway, drain, water race, river or stream.

⁵ A set of uniform targeted rates refers to the Uniform Annual General Charge and all Uniform Targeted rates with the exception of targeted rates for Refuse, Water and Sewerage.



- In the case of a rural property, be separately occupied by the same ratepayer/s who uses the rating units jointly as a single purpose.

RATING UNITS WITH A CAPITAL VALUE OF \$3,000 OR LESS

OBJECTIVE

To allow Council to act fairly, reasonably and efficiently where rating units have capital valuations of \$3,000 or less.

CONDITIONS AND CRITERIA

Rating units that have a registered capital value of \$3,000 or less held in the District Valuation Roll as at 30 June for the current rating year are eligible for remission of rates.

The remission applied will be 100 percent of all Ōtorohanga District Council rates that have been assessed for the rating unit. The Group Manager Business Enablement, under delegated authority, may apply this remission on the ratepayers behalf.

EXCESS WATER CONSUMPTION

OBJECTIVE

To enable the Council to provide relief to ratepayers who have metered properties and have suffered excessive water consumption due to a leak or other similar circumstances.

CONDITIONS AND CRITERIA

On written application of the ratepayer, Council may remit 100 percent of excess water use for the first affected billing period, and 50 percent for the second affected billing period, provided that:

- Excess water consumption has occurred through a broken or leaking pipe that realistically was not observable or otherwise noticeable or some other exceptional circumstances; and
- Evidence is provided that the fault has been remedied; and
- No other application for remission for excess water use on the particular meter had been granted in the previous two years or at the discretion of the Group Manager Business Enablement.

After two consecutive periods, no remission will apply.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above the average.

Decisions for remission of water-by-volume rates for rating units will be delegated to the Group Manager Business Enablement.

RATING UNITS CONTAINING TWO SEPARATELY HABITABLE UNITS

OBJECTIVE

To enable the Council to provide relief for ratepayers who own a rating unit containing two habitable units but who use the second unit only to accommodate non-paying guests and family.

CONDITIONS AND CRITERIA

On written application of a ratepayer annually, Council may remit second targeted rates for Water, Wastewater and Refuse Collection, provided that:

- Their rating unit contains two habitable units; and



- The second unit is used only for family or friends of the occupants of the first unit on a non-paying basis; and
- The application is accompanied by a Statutory Declaration made by the ratepayer that declares that the previous bullet point has been complied with for the current rating year and will continue to be complied with in the ensuing year.

If a rating unit contains more than two habitable units used by non-paying guests and family, only one is entitled to remission.

The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

EXTREME FINANCIAL HARDSHIP

OBJECTIVE

To provide relief for residential ratepayers experiencing extreme financial hardship.

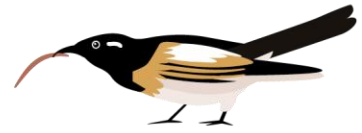
APPLICATIONS

- Where an application for rates relief due to extreme financial hardship is received, Council may remit all or part of rates relating to a rating unit.
- Applications on the grounds of extreme financial hardship are considered only when exceptional financial circumstances exist. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.
- An application can be lodged in any year that such hardship exists.
- Applications received that meet the criteria of this policy will be considered by Council on a case-by-case basis.
- The Group Manager Business Enablement has delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.

CONDITIONS AND CRITERIA

- Preference will be given to rating units used solely for residential purposes (as defined by Council)
- A ratepayer making an application must be the registered owner and occupier.
- A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after making the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- The applicant must provide sufficient evidence on how they plan to meet their rating commitment going forward.
- It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to extreme financial hardship.





INSTITUTIONS PROVIDING CARE FOR THE ELDERLY AND DISADVANTAGED PERSONS

A 100 percent remission of all rates - excluding targeted rates for Water, Wastewater and Refuse Collection - may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons.

OBJECTIVES

- To facilitate the operation of charitable groups and institutions.
- To support the services provided by such groups and institutions.

CONDITIONS AND CRITERIA

- Charitable organisations must provide care on a non-profit basis.
- An application for rates⁶ 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.
- The application must include the following information in support of the application:
 - Objectives of the organisation.
 - Funding and financial information
 - Information on activities and programmes
- No rates remission will be granted in respect of Targeted rates for Water, Wastewater or Refuse Collection.

The Group Manager Business Enablement has delegated authority to determine whether the organisation qualifies for rates remission.

⁶

Rates includes penalties payable on unpaid rates.