



# Rates Remission and Postponement Policy

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## Rates Remission and Postponement Policy

This policy applies to all land within the Manawatū district.

This policy is prepared under section 102 and 109 of the Local Government Act 2002 including sections 102(2)(e) with regard to the rating of Māori freehold land.

Council recognises its obligations to support the principles set out in the preamble to the Te Ture Whenua Māori Act 1993 and schedule 11 of the Local Government Act 2002

Council provides for a range rates relief via the remissions in this policy which is applicable to all land including Māori freehold land and other land owned by Māori. This policy aims to ensure the fair and equitable collection of rates from all sectors of the community.

Remissions for rates are available for properties that meet the criteria for the following:

- Properties farmed as one
- Additional dwellings that are unoccupied
- Remission of Penalties applied to rates
- Existing on-site wastewater disposal and/or water supply system
- School connected wastewater rate
- Council-owned Utilities
- Community Housing
- Charitable organisations
- Small dwellings
- Volumetrically charged water by meter rates in event of water leak
- Land affected by natural calamity
- Miscellaneous circumstances
- Noted remissions under Local Government Rating Act 2002
- Noted non rateable land under Local Government Rating Act 2002 (schedule 1)

This policy explains the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.

## 1 Definitions

- **Charitable organisation** is a charitable entity which means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under the Charities Act 2005 and are tax exempt.
- **Contiguous** is defined by reference to section 20 of the Local Government (Rating) Act 2002 – “Two or more rating units must be treated as one rating unit for setting a rate if those units are:
  - a) Owned by the same person or persons; and
  - b) Used jointly as a single unit; and
  - c) Contiguous or separated only by road, railway, drain, water race, river or stream.”
- **District wide uniform rates** includes the following:
  - Uniform annual general charge
  - Parks reserves and sports grounds uniform targeted rate
  - Roading uniform targeted rate
  - Makino Aquatic Centre targeted rate
  - Library targeted rate
- **Māori 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 Māori Land Court.
- **Non-rateable land** means land described in Schedule 1 of the Local Government (Rating) Act 2002 that is not liable for general, uniform annual general and uniform targeted rates. Under section 9 of the Local Government (Rating) Act 2002 rates are payable by non-rateable land for certain services via targeted rates where available
- **Rates** means general rate, a targeted rate or a uniform annual general rate and volumetric water rate (water by meter) as set in accordance with the Local Government Act 2002 and includes a penalty added to a rate.
- **Remission** means a reduction to the amount of rates to be paid
- **Remitted rates** means rates where the requirement to pay is reduced
- **Separately used Inhabited property (SUIP)** is defined as any part of a rating unit that can be used separately or inhabited by either owner or any other person who has the right to use to use or inhabit that part by virtue of tenancy, lease, licence or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating using must be capable of actual habitation, or separate use.

In the case of residential rating unit this includes a building or part of a building that is intended to be used as, or is able to be used as, an independent residence with independent kitchen with connected cooking facilities.

In the case of commercial rating unit this means a building or part of a building that is, or intended to be, or able to be, separately tenanted, leased or subleased for commercial purposes.

A SUIP does not include:

- A residential sleep out, or granny flat without independent kitchen facilities
  - A hotel/motel/hostel room with or without kitchen facilities
  - Individual storage garage/sheds/partitioned areas of a warehouse
  - Individual offices/premises of partners in a partnership
- **Small dwelling** is defined as a dwelling that meets all the following criteria:
    - a) Floor area the dwelling (not including garage) is less than 65sq metres
    - b) The dwelling must be used for residential purposes only
    - c) The dwelling must be located on one rating unit

## 2 Remission for properties farmed as one

### 2.1 Objective

This remission is to provide relief from '**district wide uniform rates**' for non-**contiguous** rating units that are farmed as a single farming operation.

### 2.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Ratepayers must own or occupy more than one non-**contiguous** rating unit
- The rating units must be used as a single farming operation

The ratepayer must pay one 'district wide uniform rate' for the combined rating units and, where there is more than one dwelling on the combined units, for each additional dwelling.

### 2.3 Application Process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units are and will continue to be operated as a single farming operation.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

### 2.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

### **3 Remission for additional dwellings that are unoccupied**

#### 3.1 Objective

This remission is to provide relief from '**district wide uniform rates**' applicable to an additional unoccupied dwelling on a rating unit.

#### 3.2 Conditions and criteria

The policy applies to ratepayers who have additional dwellings that:

- Are currently uninhabited and will be uninhabited for the next 12 months
- Have had the power, water and telephone services disconnected
- Are part of **contiguous** or non-**contiguous** rating units that are owned or occupied by the same ratepayer
- Each rating unit will be charged at least one 'district wide uniform rate'

#### 3.3 Application Process

Annual reapplication is required on a form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

#### 3.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

### **4 Remission of penalties**

#### 4.1 Objective

This remission is to provide relief from the **penalty** incurred for non-payment of rates.

#### 4.2 Conditions and criteria

The Council will remit the penalty incurred in the following circumstances:

- No other remission of penalty has been granted on the property within the current financial year
- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the due date of the second instalment
- Instalment penalty will be remitted if a direct debit has been established to pay the rates in full by the end of the financial year

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

- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or accident of a family member
- Remission of the penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so
- Remission of small balances because of cash rounding
- Where the ratepayer has entered into an arrears repayment agreement for the duration of the agreement and provided that the conditions are adhered to, the account will be exempt from current instalment penalty charges and fifty percent of arrears penalties

In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

#### 4.3 Application Process

Unless the remission is initiated by Council staff, all requests for penalty remissions must be in writing (including email).

#### 4.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## 5 Remission for existing on-site wastewater disposal and/or water supply system

### 5.1 Objective

This remission is to provide relief from the full amount of **serviceable wastewater targeted rate** (half charge) **and/or the full amount of the serviceable water targeted rate** (half charge) charged for rating units that had an existing on-site wastewater disposal and/or water supply system prior to Council extending their reticulation system to the property.

### 5.2 Conditions and criteria

The following criteria must be met to be granted this remission: The on site wastewater disposal and/or water supply systems were in place prior to Council extending the reticulation system to the property

### 5.3 Application Process

A written application is required from the ratepayer of the rating unit.

This remission will continue until such time as the ratepayer connects to the Council services available. This remission will not be approved retrospectively.

### 5.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## 6 Remission for school connected wastewater

### 6.1 Objective

This remission is to recognise that schools may be disadvantaged by the “pan charge system” and to ensure schools are fairly charged for **connected wastewater targeted rate** based on their full time equivalent on-site staff and student numbers rather than number of connections.

### 6.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Schools must meet the definition of an “Educational Establishment” as defined in schedule 1 of the Local Government (Rating) Act 2002  
The remission will be calculated based on the following:
- Council will remit the connected wastewater rate by subtracting the sum of calculation (b) from the sum of calculation (a)
- Calculation (a) - Council’s connected wastewater targeted rate (based on the number of water closets/urinals)
- Calculation (b) - the number of full time equivalent on-site students and staff divided by 20 and multiplied by the connected wastewater targeted rate. If the sum of calculation (b) is greater than (a) no remission will apply

### 6.3 Application Process

No application is required. Council will liaise with the Ministry of Education each year to obtain rolls numbers as at 1st March. The remission will be applied automatically, based on the roll numbers.

### 6.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## 7 Remission for Council owned utilities

### 7.1 Objective

This remission is to avoid incurring the rating costs to Council that would be indirectly recovered from other ratepayers. This policy provides relief of 100% remission of all fixed, uniform and targeted rates that have been set.

### 7.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- The rating unit(s) must be a utility rated under differential category 6
- The utility is owned by Council.

### 7.3 Application Process

Council will apply this remission automatically.

#### 7.4 Delegations

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

### 8 Remission for Community Housing Providers

#### 8.1 Objective

This remission is to provide relief from **50% of total rates payable excluding water by meter**, for rental housing provided at below market rental by Community Housing Providers. This is to assist Community Housing providers to establish rental housing at below market rental for low income households.

#### 8.2 Conditions and Criteria

Rates remissions for community housing provided under this policy will be administered annually and granted no more than three times.

This remission does not apply to crown owned housing providers.

Rates may be remitted where the application meets the following criteria:

- A community housing provider that is registered as such with the Community Housing Regulatory Authority;

#### 8.3 Application Process

An annual application is required on a form supplied by Council and must be received before the end of April to apply to the following financial year.

Applications will not be applied retrospectively.

Organisations who apply need to include:

- Proof of Community Housing status

The provision of rates relief in any year does not set a precedent for similar level of support in any future years.

Rates relief will only be granted to a maximum of three times.

#### 8.4 Delegation

The Chief Executive, or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

### 9 Remission for charitable organisations

#### 9.1 Objective

This remission is to provide relief from **50% of total rates payable including water by meter**, for charitable organisations that benefit the community.

This includes those organisations whose land may be non-rateable under Schedule 1 Section 9 of the Local Government (Rating) Act 2002.



## 9.2 Conditions and criteria

Rates remissions for charitable organisations under this policy will be administered annually and may be made for a multi-year term to a maximum of three years.

Rates may be remitted where the application meets the following criteria:

- Directly links with the Council's priorities as described in the Long-term Plan; and
- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used principally for sporting, recreation, art or community purposes; or
- A rating unit that is leased by a charitable organisation for a period of at least one year; is used principally for recreation, sporting or community purposes, and where the organisation is liable for the payment of the Council's rates under the property's lease agreement

In allocating the rates support, Council will prioritise against the following:

- Activities that support sport and recreation.
- Activities that will attract and retain residents.
- Activities that will encourage the arts and contribute to a vibrant, thriving Manawatū.

Applications will also be assessed against:

- Opportunity for participation/accessibility to Manawatū District residents
- Compliance with previous reporting requirements.

## 9.3 Application process

An application is required on a form supplied by Council and must be received before the end of April to apply to the following financial year. Applications will not be applied retrospectively.

Organisations who apply need to include (where applicable):

- Statement of organisation's objectives
- Current financial statement
- Proof of charitable status
- Information on activities and programmes
- Details of membership or client numbers
- Any other information that supports the application in relation to the eligibility criteria

The provision of rates relief in any year does not set a precedent for similar level of support in any future years.

## 9.4 Delegations

The Chief Executive, or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

# 10 Remission for small dwellings

## 10.1 Objective

This remission is to provide relief from '**district wide uniform rates**' for ratepayers in respect of rating units that have two or more separately used and inhabited parts, where one or more dwellings are considered to be small.

The Council may reduce each 'district wide uniform rate' charge by 35% on the second and subsequent small dwellings , i.e. the first 'district wide uniform rate' will be at the full rate with 35% remission applying to each subsequent 'district wide uniform rate'.

#### 10.2 Conditions and criteria

The following criteria apply:

- Floor area of each dwelling (not including garage) is less than 65sq metres
- The dwelling(s) must be used for residential purposes only
- The dwelling(s) must be located on one rating unit

#### 10.3 Application process

An application must be submitted on the form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65 square metres.

Applications must be received before the end of the first quarter of the rating year. Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

#### 10.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

### 11 **Remission for volumetrically charged water by meter rates in the event of a water leak**

#### 11.1 Objective

To remission is to provide relief from excess **volumetrically charged water by meter rates** resulting from a water leak on a property.

#### 11.2 Conditions and criteria

Ratepayers are liable for water supplied through the volumetrically charged water meter rates and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it reasonable to allow a remission of water charges in these circumstances.

In certain circumstances Council may provide for relief of water by meter rates that occur as a result of leaks. The following criteria apply:

- Council is satisfied a leak on the property has caused the excessive consumption and the leak has been repaired
- The remission granted will be based on the excess water usage, less the property's normal consumption of water for similar periods

- The remission will apply to the quarter the leak was identified and the following quarter, providing adequate time to repair the leak. Where there are extenuating circumstances, the period of the remission may be extended
- It is the ratepayer's responsibility to maintain the water assets on their property. Recurring leaks may be an indication of systemic failure and the remission may be declined

### 11.3 Application process

An application must be made in writing explaining the circumstances of the situation and providing evidence of the remedial action taken to repair the leak.

### 11.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy, following the recommendation from the General Manager – Infrastructure or Utilities Manager.

## 12 Remission for land affected by natural calamity

### 12.1 Objective

This remission is to provide relief from **all, part of , any rate on any rating unit** to assist ratepayers experiencing financial hardship due to a natural calamity.

### 12.2 Conditions and criteria

Remissions approved under this policy will be applied only for each specific event and only to property affected by the event, and should not be considered as precedent setting.

The Council may remit all, or part of, any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event. This does not apply to erosion, subsidence etc that may have occurred without a recognised major event

Council has discretion in applying this remission. In exercising this discretion Council will consider the nature and the severity of the event and available funding at the time.

The Council may require financial or other records to be provided as part of the remission approval process.

### 12.3 Application process

The application process will be determined by Council at the time of determining whether an event is categorised as providing for applications to be made under this remission.

### 12.4 Delegations

An individual event or calamity is to be approved by Council.

## **13 Remission for land that does not meet the definition of a Separately Used or Inhabited part of a rating unit (SUIP)**

### 13.1 Objective

This remission is to recognise parcels of land that do not meet the definition of a SUIP and are therefore provided relief of the **district wide targeted rates**.

### 13.2 Condition and criteria

Land that does not meet the definition of a Separately Used or Inhabited part of a rating unit.

### 13.3 Application

Council will apply this remission automatically if the status is determined. In other cases written application is required.

### 13.4 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## **14 Remission for miscellaneous circumstances**

### 14.1 Objective

This remission is to provide rates relief where Council deems an inequity exists, or when Council deems it prudent. Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council's specific policies or necessarily be known about by the ratepayer in advance.

### 14.2 Conditions and criteria

To the extent that the Council considers it just and equitable to do so, it may remit rates on a rating unit where:

- The application does not meet the circumstances provided for in any of the Council's other remission policies
- Financial records may be required

### 14.3 Application process

Council may apply this remission if it considers the rating system is inequitable. In other cases written application from the ratepayer is required.

### 14.4 Delegations

The Chief Executive has the delegated authority to approve or decline applications under this policy.

## **15 Noted remissions provided under the Local Government Rating Act 2002**

### 15.1 Conditions and criteria

Legislation classifies the following as being eligible for rates remissions under the Local Government Rating Act 2002 including but not limited to:

- Remission of rates on Māori freehold land generally (part 4 section 114)
- Remission of rates for freehold land under development (part 4 section 114a)

#### 15.2 Application process

Council will apply this legislation automatically where council is aware of the land status, in other cases written application is required

#### 15.3 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## **16 Noted non rateable land provided under the Local Government Rating Act 2002 (schedule 1)**

#### 16.1 Conditions and criteria

Legislation classifies the following as being non-rateable under schedule 1 of the Local Government Rating Act 2002 including but not limited to:

- Land owned for conservation (section 1)
- Land used by Council for gardens, halls, swimming pools (section 4)
- QE 2 Land (section 5)
- Land owned or used for school/education (section 6)
- Land used solely or principally for place of worship (section 9)
- Cemeteries/burial grounds(section 10)
- Māori Customary Land (section 11)
- Māori freehold land with a meeting house (section 13a) – Marae
- Māori freehold land with a meeting house (section 13b) Reservation
- Unused Māori freehold land (section 14a)

#### 16.2 Application process

Council will apply this legislation automatically where council is aware of the land status, in other cases written application is required.

#### 16.3 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

## **17 Māori Freehold Land**

Council recognises its obligations under schedule 11 of the Local Government Act 2002 as required by section 108(4) to provide for the fair and equitable collection of rates from Māori freehold land, recognising that certain Māori-owned freehold lands

have particular conditions, features, ownership structures, or other circumstances determining the land as having limited rateability under legislation.

This policy also acknowledges the desirability of avoiding further alienation of Māori freehold land in multiple ownership, to recognise, support and take account of:

- a. Facilitating any wish of the owners to develop the land for economic use;
- b. The presence of wāhi tapu (sacred places) that may affect the use of the land for other purposes;
- c. The importance of associated housing in providing kaumatua (elders) support and enhancement for marae;
- d. The importance of the land for community goals relating to:
  - i The preservation of the natural character of the coastal environment;
  - ii The protection of outstanding natural features; and
  - iii. The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- e. Matters related to the legal, physical and practical accessibility of the land; and
- f. Land that is in, and will continue to be in, a natural and undeveloped state.

Council acknowledges that little undeveloped Māori freehold land exists in the Manawatū District.

Council provides for a range rates relief via the remissions outlined in the sections above using various criteria which is also applicable to Māori freehold land. As a consequence the Council does not provide for any additional remissions or postponements under this policy.

## **18 Rates postponement policy**

Council does not have a rates postponement policy.