

Rates Remissions and Postponement Policy

Including the Council's policy on remission and postponement of rates on Māori freehold land

Policy status: Adopted
Review due: 30 June 2024
Legal reference: Local Government Act 2002
Section 102(2)(e) and 102(3), and 108, 109 & 110

Purpose

Rates remissions are a useful tool for the Council to address inequities and/or unintended consequences of its rating systems. This policy contains specific sub-policies that each outline objectives sought to be achieved by the use of remissions or postponements, and the conditions and criteria to be met in order for rates to be remitted or postponed.

This policy is made in accordance with sections 102, 109 and 110 of the Local Government Act 2002 and is applied per sections 85-90 of the Local Government (Rating) Act 2002.

General provisions

- The Council may remit all or part of the rates covered by this Policy, provided both the general conditions and the specific conditions have been met.
- Nothing in this policy provides for the permanent remission or postponement of rates on any property.
- This policy applies to rates within the Kaikōura District levied and collected by the Kaikōura District Council and may include rates collected on behalf of Environment Canterbury subject to the contractual obligations between those two parties.

General conditions

The granting of remissions or postponements available under this policy are subject to the following conditions:

1. Unless provided for in specific conditions & criteria, application must be made in writing, clearly identifying the property, the owner(s) of the property, and full reasons as to why the application for remission or postponement is being made.

Application may be sent to either of the following addresses;

- a. PO Box 6, Kaikōura 7340
- b. Level 2, 96 West End, Kaikōura 7300
- c. rates@kaikoura.govt.nz

2. All applications will be considered under their own merit and will be granted only where it is considered fair and equitable to do so.
3. In considering each application, the Council will consider the extent to which the social, cultural, economic, and environmental wellbeing of the district will be promoted by the granting of remission or postponement of rates.
4. Where an error has been made in the setting of rates on any property, or on the categories and factors used to assess the rates on any property, rates will be remitted as provided for in the Local Government (Rating) Act.
5. The Council has delegated the authority to consider rates remissions to certain Council officers, as stated in the Council's Delegations Manual. In the event of any dispute arising, the application may be referred to the Chief Executive.

Policy on Remission of Penalties

Objectives

To enable the Council to act fairly and reasonably in its consideration of penalties charged on rates which have not been paid to the Council by the due date.

Specific conditions & criteria

Remission of penalties on late payment of rates may be made when it is considered fair and equitable to do so. In making that consideration, the following criteria shall be applied.

- a) In cases where ratepayers are in arrears with their rates but have entered into agreed payment plans with the Council, further penalties may be suppressed or reduced subject to the payment plan being adhered to.
- b) In cases where ratepayers enter into a direct debit agreement that ensures their rates will be paid in full by the end of that rating year, the latest penalty applied to rates within that current rating year will be remitted.
- c) Penalties imposed on an overdue rates instalment will be remitted if the ratepayer satisfies the Council that the late payment was due to circumstances outside the ratepayers control, such as;
 - a. Where the rates invoice was issued in the name of a previous property owner and/or to the previous owners address
 - b. Where a ratepayer has been unable to attend to payment due to serious illness, bereavement or similar personal misfortune, on compassionate grounds
 - c. Where an error has been made through internal processing which has subsequently resulted in a penalty charge being imposed.

For the following criteria (d, e, f), penalties will not be remitted where they have been applied to overdue rates for prior years unless under exceptional circumstances.

- d) Where there is a good payment history over the last two years and payment is made within a short time of the ratepayer being aware of the non-payment.
- e) Where the remission will facilitate the collection of overdue rates and it results in full payment of all rates arrears.
- f) Where the ratepayer pays the full years rates on or before 20 December (the last day for payment of instalment two), the penalty imposed on the current year's rates will be remitted.

Procedure

Landowners and/or ratepayers must apply for rates remission in writing to one of the addresses outlined in the general conditions, including a reason for the late payment or other circumstance which resulted in the penalty being applied. No particular form is required.

The circumstances of each case will be considered on its individual merits.

Policy on Remission of Rates for land protected for natural, historical, cultural or conservation purposes

Objectives

To encourage the protection of significant natural areas by providing rates relief for privately owned land that contains special features voluntarily protected for natural, historic, cultural or conservation purposes.

Specific conditions & criteria

Remission of rates will be considered under this sub-policy on land that is subject to QEII covenant and is therefore non-rateable under the Local Government (Rating) Act. Evidence of the QEII covenant must be stated on the certificate of title, including the land area involved.

The following conditions must be met to facilitate the remission of rates:

- a) The land area subject to remission of rates is to be assessed by calculating the area of the covenant as a percentage of the total area of the property, or in the case of a property that crosses district rating boundaries, the covenant area within the district as a percentage of the property area within the district.
- b) The area of land that is subject to covenant and that includes a dwelling or outbuildings may be liable for certain targeted rates where services apply (water, wastewater, and/or refuse disposal rates). Remission of rates do not apply to these services in this instance.
- c) Where there is an economic use of the covenanted land such as grazing on a large landscape covenant, or commercial ecotourism ventures, partial remission of rates may be appropriate, for example;
 - a. A 50% remission on all rates applied to the covenanted area, except for those rates collected for water, wastewater, refuse disposal, visitor accommodation, registered premises, and commercial rates.

Procedure

Landowners and/or ratepayers must apply for rates remission in writing to one of the addresses outlined in the general conditions, including evidence of the QEII covenant and sufficient detail for Council officers to assess the areas of land involved.

Once granted, rates remission is automatic each year, with no requirement for annual application by the landowner unless circumstances change that effect compliance with the above specific conditions and criteria.

Policy on Remission of Rates for land affected by a natural disaster

Objectives

To enable the Council to provide rates relief for landowners of property that has been affected by a natural disaster such as flooding, earthquake, or tsunami, and rendering the property inaccessible, unsafe to occupy, or uninhabitable. Rates relief may also be available for property that has been significantly affected by disaster, whereby the income derived from the land or the use of the land has been materially and detrimentally affected.

Specific conditions & criteria

Rates relief is only available subject to the Council's ability to access alternate sources of funding such as emergency government grants, donations, or the Council's own emergency reserves (including the Mayoral fund, earthquake levy fund, or others by Council's resolution).

Properties eligible for rates relief comprises all rateable properties within the Kaikōura district including residential, rural, and commercial property. Rates relief may apply only to a separately identifiable dwelling or building within a rating unit rather than the rating unit as a whole.

Rates relief will be available for consideration and approval based on evidence of the following:

- a) The property or part of the property has a red placard (or red sticker) or some other form of identification which has been issued by Council building inspectors or qualified representative acting under authorisation of the Council, or
- b) The property or part of the property are subject to a 'section 124 notice' issued under the Building Act 2004, or
- c) The property has been determined to be uninhabitable by EQC or the landowner's insurance company, or qualified structural engineer, or
- d) The property has been materially and detrimentally affected due to other factors, such as unable to connect to Council services, or only parts of the

building are uninhabitable (for example). Where parts of the building are uninhabitable these will be assessed as to materiality within the context of the whole building.

- e) Rates relief is only available to the landowner/ratepayer of the property at the date of the natural disaster, and rates relief under this policy is not available to subsequent landowners once the property is on-sold.
- f) Rates relief is only available for the period of time that the property is inaccessible, unsafe to occupy, or uninhabitable.

Rates relief is not available to ratepayers who have voluntarily chosen not to occupy their property or opted not to operate commercially for any reason other than the property being uninhabitable or unsafe to occupy. Similarly, rates relief is not available to ratepayers who continue to occupy a dwelling or building that has been deemed uninhabitable or unsafe to occupy.

Procedure

Applications must be in writing to one of the addresses outlined in the general conditions and will be assessed on a case-by-case basis.

Rates remissions will be pro-rated from the date of the natural disaster (or the date the property became unsafe to occupy if that is a later date), until the earlier of re-habitation, commencement of business, or the property becoming available for use, and notified to the Council. Notwithstanding this, rates relief will only extend into a subsequent financial year by resolution of the Council.

To enable an appropriate response to any disaster, this policy may be amended by the Council at short notice and without public consultation to aid a timely relief package if required.

Policy on Remission of excessive targeted rates by water meter

Objectives

To promote efficient water use and provide an incentive to ratepayers to promptly repair any leaks to their internal water reticulation.

Specific conditions & criteria

This policy applies to properties which have a water meter, and who have excessive water meter consumption charges found to be due to a leak in the property's internal water reticulation. Internal water reticulation means the water pipe within the landowner's private property from (and including) the water meter.

- a) Remission on water meter charges will only be granted subject to evidence that satisfies the Council that the water leak has been repaired, such as a copy of an invoice from a registered plumber or other suitably qualified person which shows the details of the repair.
- b) Where a remission is granted, the remission will be calculated by assessment of the water consumption charged for that metered connection for the past three years (which may include an assessment of seasonal fluctuations in water consumption).
- c) Where three years of recorded evidence of consumption is not available, or if the property has had a substantial change of use during the last three years, remission will be on a fair and reasonable assessment of water consumption on similar properties.
- d) If there is a second application for remission on the same metered connection within five years of the first application, the ratepayer will pay 80% of the water meter charges as invoiced, or the maximum six-monthly amount invoiced for that metered connection in the last five years, whichever is the greatest.
- e) If there are third or subsequent applications for remission for the same metered connection within five years of the first application, the application will be declined.

Procedure

Applications for remission of rates by water meter must be received in writing to one of the addresses outlined under general conditions within three months of the date of the water invoice and supported by evidence that the water leak has been repaired.

The Council's revenue officer(s) will make an assessment of the appropriate remission (based on the criteria above), and the remission will be approved by those Council officers with delegated authority to do so.

Policy on Remission of rates for Māori freehold land and general land that is owned by Māori

Objectives

To ensure the fair and reasonable collection of rates from all sectors of the community, recognising that certain Māori freehold land and general land that is owned by Māori has conditions, features or other circumstances which may make rates remission appropriate.

Specific conditions & criteria

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. Both land that is subject of such an order, and general land that is owned by Māori but has not been registered with the Māori Land Court may qualify for remission under this policy.

The Council will consider remission of rates on land that comes within the following criteria:

- a) The land is unoccupied, and no income is derived from that land, and/or
- b) The land is inaccessible, and no income is derived from that land, and/or
- c) The land is better set aside for non-use (whenua rahui) because of its natural features, and/or
- d) Where there are multiple owners/trustees and the owners/trustees cannot be easily held liable for payment of rates.

Procedure

Applications for remission of rates under this policy must be made annually in writing.

The Council or its officers may require supporting evidence and/or investigate any claim that no income is derived from the land if it is considered reasonable that the land is being used for commercial return. By way of example, inaccessible

land may generate substantial returns if being used for the harvesting of manuka honey.

Policy on Postponement of rates

The Council does not currently provide for the postponement of rates, but may consider adopting a postponement policy if it were deemed to be appropriate due to extreme financial hardship.

Policy on Postponement of rates for Māori freehold land

The Council has considered its obligations under section 108 and the matters relating to rates relief on Māori freehold land in Schedule 11 of the Local Government Act 2002.

The Council does not provide a policy specifically for the postponement of rates on Māori freehold land.

Policy on Remission of additional Uniform Annual General Charge and other fixed-dollar amount targeted rates

Objectives

The objective of this remission policy is to apply the Uniform Annual General Charge and Fixed targeted rates on a fair and equitable basis to ratepayers.

Specific conditions & criteria

The Council will consider remission of rates on land that comes within the following criteria:

Where a rating unit is identified as having more than one separately used or inhabited part of a rating unit (SUIP) available to be used, resulting in multiple Uniform Annual General Charges (UAGC) and fixed dollar targeted rates, but it is not actually separately used or inhabited, then it shall be assessed as only having one separately used or inhabited parts and the ratepayer may apply annually for a remission of rates on the unused part(s). The remission would only be available where the unused part(s) are unused for the entire rating year. Where a remission has been granted, and it is discovered that the part(s) were actually used during that rating year, that rating unit will not be eligible for remission of rates for unused part(s) for any subsequent rating year.

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 SUIP. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

Procedure

Applications for remission of rates under this policy must be made annually in writing.

The Council or its officers may require supporting evidence and/or investigate any claim that the separately used or inhabited part of a rating unit is not being separately used or inhabited if it is suspected of being used for commercial return. By way of example, a self-contained granny flat only rented out 3 months of the year is being used for commercial reward and therefore is subject to the fixed dollar targeted rates for the additional SUIP.