

P21-003 Rates Remission and Postponement Policies

Approved by the Council on 19 May 2021.

Decision-making, general conditions and administrative matters related to these Policies

1. All decisions on applications for the remission or postponement of rates shall be determined by the staff provided with the delegated authority by the Council (as recorded in the Delegations Register) for section 85, 87, 114 and 115 (as relevant) of the Local Government (Rating) Act 2002 (being the Financial Services Manager and Business Support Lead at the time of adoption).
 2. The decisions of officers are final and the Council will not accept appeals against those decisions.
 3. All applications must be received in writing on an approved application form. However, staff may accept verbal applications or applications not on an approved application form if the circumstances warrant it. No application form is required for automatic remissions provided under Rates Policies 2 or 4.
 4. Timing of remissions will be assessed on the following:
 - a. All applications for remissions received and granted under Rates Policies 1, 4, 6 and 7 during a rating year will receive remission from the commencement of the following rating year and no remissions will be backdated.
 - b. All applications for remissions received and granted under Rates Policies 3, 5 and 9 will receive remission from the date of application. An application may be backdated to cover any outstanding balance from the current rating year, but will not be backdated to cover previous rating years.
 - c. Applications for remissions received and granted under Rates Policy 2 will receive remission in relation to the penalties outstanding, and may include remitting penalties for the current rating year and backdating outstanding previous rating years.
 - d. Applications for postponement received and granted under Rates Policy 3 will receive postponement from the beginning of the rating year in which the application is received. An application may be backdated to previous rating years to cover any outstanding rates if the circumstances warrant it (however, for the avoidance of doubt, no refund for paid rates will be given).
 - e. All applications for remissions received and granted under Rates Policy 8 will receive remission from the issue of the next rates instalment notice.
 - f. Applications under Rates Policy 10 may be received at any time.
 - g. Applications under Rates Policies 11 and 12 may be received at any time within 12 months following an event (as defined in those policies).
 5. No rates will be remitted or postponed for government owned properties (including the Crown, central government agencies or local authorities) other than under Rates Policy 8 (Rates remission of uniform annual refuse charge targeted rate) and Rates Policy 10 (Rates remission for significant water leaks).
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Rates Policy 1

Rating of community, sporting and similar organisations

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The Council reaffirms its commitment to assist, where practicable, community clubs and organisations in recognition of the valuable 'Public Good' contribution made by such organisations to the character and well-being of the district.

Conditions and criteria

1. The Council may remit all general rates on any rating unit that is owned or occupied by a charitable organisation, and is used exclusively or principally for sporting, recreation, or community purposes.
 2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
 3. Organisations that are not registered as charitable entities under the Charities Act 2005 must, in making an application, include the following documents in support of their application:
 - a) Statement of objectives.
 - b) Full financial accounts.
 - c) Information on activities and programmes.
 - d) Details of membership or clients.
 4. In respect of those rates referred to in sections 16 and 19 of the Local Government (Rating) Act 2002 (i.e. targeted rates), only one uniform annual sewer charge will apply and all other targeted rates will be charged at the applicable rate.
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Rates Policy 2

Remission of penalties

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The objective of this 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 due to circumstances outside the ratepayer's control; or

In order to ensure the settlement of outstanding rates where the ratepayer has made an arrangement to pay over an extended period.

Conditions and criteria

1. The Council will remit penalties if:
 - a. The ratepayer agrees to an automatic payment or direct debit plan that is sufficient to cover current rates and arrears in place, or
 - b. 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, or
 - c. the ratepayer can demonstrate to the Council that doing so is just and equitable having taken into account the individual circumstances.
 2. The Council may remit small balances due to cash rounding.
 3. If an arrangement to pay rates and/or clear outstanding rates is not adhered to, the Council will apply penalties from when the arrangement is breached (noting that remissions cannot be reversed).
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Rates Policy 3

Postponement or remission of rates for financial hardship

Sections 85 and 87 of the Local Government (Rating) Act 2002.

Objectives of the policy

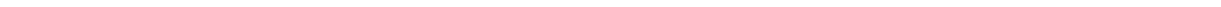
The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

A. Postponement – Owner/Ratepayer

Conditions and criteria

1. Only rating units used solely for residential purposes (i.e. are in the residential rating differential and are not mixed use properties) will be eligible for consideration for rates postponement for extreme financial hardship.
 2. Only the person entered as the ratepayer on the rating information database, or their authorised agent, may make an application for rates postponement for extreme financial hardship on the rating unit which is the subject of the application.
 3. The ratepayer must not own any other rating units (whether in the district or in another district).
 4. When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including, but not limited to, the following factors: age, physical or mental disability, injury, illness and family circumstances.
 5. Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
 6. The ratepayer must either:
 - a. make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments, or
 - b. agree that all future rates be postponed.
 7. The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.
 8. The postponement will continue to apply until:
 - The ratepayer ceases to be the owner or occupier of the rating unit; or
 - The ratepayer ceases to use the property as their residence; or
 - The ratepayer notifies the Council of a change in circumstance that means the ratepayer is no longer eligible; or
 - A date specified by the Council;whichever is the sooner.
 9. A rating charge will be registered on the certificate of title. The postponed rates will remain as a charge against the property and must be paid either at the end of the postponement
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term or when the property is sold. Postponed rates may include rate arrears owing from a previous financial year.



B. Remission - Near Ownership Situations

Conditions and criteria

1. Property Held in Trust

- The amount of the remission will be equal to the Council's Uniform Annual General Charge.
- The applicant may have savings up to a maximum of \$10,000 for the purpose of funeral expenses.
- The applicant's sole income is from a Central Government benefit (including New Zealand superannuation) and earnings on interest from savings for funeral expenses.
- The applicant must be the ratepayer and supply proof from the Trust Deed.
- The applicant must not be a financial beneficiary of the Trust.
- The applicant must not be eligible for a rates rebate.
- The applicant must provide an explanation and proof of hardship.
- The Rating Unit must be rated as Residential.
- The applicant must reside at the property.

2. Habitat for Humanity

- The amount of the remission will be equal to the Council's Uniform Annual General Charge.
 - The applicant must provide proof of the long term sale and purchase agreement for the property with Habitat for Humanity.
 - The applicant's sole income is from a Central Government benefit or their income is at or below the Central Government equivalent benefit and proof of income is supplied.
 - The property must not be eligible for a rates rebate.
 - The applicant must provide an explanation and proof of hardship.
 - The Rating Unit must be rated as Residential.
 - The applicant must reside at the property.
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Rates Policy 4

Rates remission on Māori freehold land

Sections 85 and 114 of the Local Government (Rating) Act 2002 and 108 of the Local Government Act 2002.

The Council only remits rates on Māori freehold land, it does not allow postponements. In determining this policy the Council has considered those matters set out in Schedule 11 of the Local Government Act 2002.

Objectives of the policy

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

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.
 2. An application for rates remission by the owners must include:
 - a) Details of the land;
 - b) Documentation that shows the ownership of the land; and
 - c) Reasons why remission is sought.
 3. Where Council staff after due enquiries cannot find the owners of an unoccupied block, staff may automatically apply a remission without the need for an application.
 4. If circumstances change in respect of the land, the Council will review whether this remission policy is still appropriate to the land.
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Rates Policy 5

Rates remission in miscellaneous circumstances

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

It is recognised that not all situations in which the Council may wish to remit rates will necessarily be known about in advance and provided for in the Council's specific policies.

Conditions and criteria

1. The Council may remit part or all rates on a rating unit where The Council considers it just and equitable to do so because:
 - a. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units, or
 - b. The circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the council's other rates remission policies, but are not actually covered by any of those policies, or
 - c. There are exceptional circumstances that mean the Council believes that it is in the public interest to remit the rates and where granting a remission would not create or set a precedent for other ratepayers to receive similar remissions.
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Rates Policy 6

Rates remission for protected natural areas

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The objective of this policy is to encourage the maintenance, enhancement and protection of natural areas by providing rates relief for privately owned land that contains special features protected for ecological value purposes. It allows Council to assist landowners who have:

- a significant natural area identified on their property in the District Plan, or
- have voluntarily retired land with high ecological value solely for conservation purposes, where the land is being sustainably managed and subject of a protective covenant or by other legal mechanism providing similar protection to a protective covenant

Conditions and criteria

1. The Council may remit rates for properties protected for ecological value that meet the following criteria:
 - a. The land must be protected either by having a significant natural area identified in the District Plan, or by way of a protective covenant, or by other legal mechanism providing similar protection to a protective covenant
 - b. Where the property is protected by way of a protective covenant or by other legal mechanism providing similar protection to a protective covenant:
 - a. The protective covenant or other legal mechanism must meet the requirements of the District Plan for legal protection of the special ecological features to achieve the protective outcome
 - b. The protected area meets the significance criteria for protected in the District Plan
 - c. Evidence of the legal protection mechanism and a plan to sustainably manage the ecological values of the protected natural features
 - d. The area of land containing the protected natural features must be readily identified and able to be measured distinctly from the total area of the property
 2. The Council will remit the general rate pro-rata to the land value of the area protected to the total area of the property, with the following criteria to assess the amount of remission:
 - a. The general rate of the area pro-rata will be remitted by 50 per cent where the protected area is protected by virtue of identification as a significant natural area in the District Plan
 - b. The general rate of the area pro-rata will be remitted by 100 per cent where the protected area is protected by a protective covenant or other legal mechanism providing similar protection
 3. In this policy a property is considered to be identified in the District Plan as having a significant natural area if either:
 - a. A significant natural area is identified on that property in an operative District Plan, or
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- b. A significant natural area is identified on that property in a proposed District Plan but only if:
 - i. no submissions in opposition have been made and the time for making submissions has expired; or
 - ii. all submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed.
 - 4. For the avoidance of doubt, a property becomes ineligible for a rates remission if the natural area is destroyed (or pro rata to the area destroyed), regardless of whether a resource consent is issued or not.
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Rates Policy 7

Remission of uniform annual general charges on rating units which are used for residential purposes and which include a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The policy is to provide for rates remission where more than one uniform annual general charge is assessed on a rating unit because that rating unit comprises more than one separately used or inhabited part and where the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit.

Conditions and criteria

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

1. The rating unit must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner for financial support and occupies the accommodation on a non-paying basis (e.g. granny flat).
 2. The owner(s) of the rating unit must complete and provide to the Council a statutory declaration. Such a declaration will be effective for three years or until the conditions cease to be met, whichever is earlier. A new declaration must be completed and provided in order to qualify for consideration for remission beyond the three year period.
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Rates Policy 8

Rates remission of uniform annual refuse charge targeted rate

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

To recognise that some properties within the service area may be approved by the Council (in accordance with the relevant bylaw) to not receive some or all of the Council provided refuse collection and disposal service.

Conditions and criteria

1. Some or all of the uniform targeted rate for refuse collection and disposal will be remitted where the Council has approved the property to not receive some or all of the Council provided refuse collection and disposal service under the relevant Council bylaw relating to solid waste (being the Solid Waste Management and Minimisation Bylaw 2019 at the time of adoption).
 2. The amount of the uniform targeted rate that is remitted will be determined in accordance with the cost of providing the service or services not received. Where a property is approved to not receive any service then that property shall have 100 per cent of the targeted rate remitted.
 3. Any remission of charges under this policy will apply from the following quarter that the service is ceased, and the remission of charges will also cease the following quarter if the service resumes.
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Rates Policy 9

Rates remission for financial hardship as a result of changes to the rating system

Section 85 of the Local Government (Rating) Act 2002

Objectives on the policy

This policy recognises that when the Council alters parts of the rating system to achieve a more equitable distribution of rates, doing so may cause financial hardship for some ratepayers, and thereby provides a remission for affected ratepayers.

Conditions and criteria

1. This policy only applies where the Council determines to make significant changes to the rating system, including changes to uniform charges, differentials or the number of targeted rates.
 2. This policy does not apply to annual changes in rates requirements, including changes to targeted rates as a result of changes to service levels (including the imposition of a targeted rate on a property as a result of receiving a service that was not previously provided or charged to a property) and inflationary adjustment of uniform charges.
 3. The applicant must provide evidence of financial hardship as a result of the change. The following grounds can be taken into account:
 - a. The ratepayer's personal circumstances including, but not limited to, age, physical or mental disability, injury, illness and family circumstances;
 - b. Whether the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses;
 - c. The ratepayer's sole income is from a Central Government benefit (including New Zealand superannuation).
 4. The amount of remission will be set as half of the difference between the property's rates for that year and the property's rate for that year if the change to the rating system for that year had not been applied.
 - a. In determining the property's rate for that year if the changes to the rating system had not been applied, the Council will use the relevant parts of the previous year's rating system (e.g. differentials, uniform charges) but will use the current financial year's rates requirement.
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Rates Policy 10

Rates remission for significant water leaks

Section 85 of the Local Government (Rating) Act 2002

Objectives on the policy

The objective of this policy is to provide an incentive for ratepayers to fix water supply leaks through providing a partial remission of volumetric charges upon a leak being fixed in a timely and diligent manner.

Conditions and criteria

1. The Council may remit the water volumetric charge rate in accordance with the provisions of the New Plymouth District Council Bylaw 2008: Part 14: Water, Wastewater and Stormwater Services clause 9.7.11, or any such provision in a bylaw that replaces that clause.
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Rates Policy 11

Rates postponement for significant unexpected events

Section 87 of the Local Government (Rating) Act 2002

Objectives on the policy

The objective of this policy is to recognise that significant unexpected events may occur that place some ratepayers into significant financial hardship due to no fault of their own, and that provision of a short-term postponement of rates may limit the financial hardship

Conditions and criteria

1. An "event" under this policy is triggered either:
 - a. By a declaration of state of national emergency or of local emergency over the District, or
 - b. By resolution of the Council, having considered the following matters:
 - i. The type of implications arising, or likely to arise, from the potential event
 - ii. Whether the potential event is unusual or whether it is a frequently occurring event
 - iii. The likelihood of the potential event having implications that last longer than the potential event itself
 - iv. Any other matter the Council considers relevant
 - c. An "event":
 - i. does not have to be of natural occurrence, and can include social and economic events
 - ii. excludes social, economic, environmental, technological and other trends, although may include events caused partially or in full by such trends (*for instance, climate change is not an event, but a large storm that is attributable to climate change could be considered an event; a significant recession can be considered an event, but a long-term sector decline cannot be considered an event*)
 - iii. excludes political or legal decisions, whether by the Council, other local authorities, central Government, or international.
 - iv. excludes impacts that arise from Council actions (for instance, road closures, events and so forth).
 - d. A resolution for an event under (b) automatically triggers both policy 11 and 12, unless the resolution states otherwise.
 2. A ratepayer may apply for a postponement under this Policy if the ratepayer meets one or more of the following criteria:
 - a. The ratepayer can demonstrate to the satisfaction of the Council that the event has, or is likely to cause, a reduction in income or revenue of at least 30 per cent over a three-month period
 - b. The ratepayer can demonstrate to the satisfaction of the Council that the property has suffered significant damage as a result of the event that is likely to impact on the
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long-term usability of the property (*for instance, a major slip on a farmland property resulting in the need to retire the affected area*)

3. The ratepayer must provide evidence with their application, and the burden of proof is on the ratepayer making the application
 4. A ratepayer who meets the criteria may receive a postponement for any outstanding rates (including any rates in arrears) and all rates due within a 12 month period from the date of application
 5. A rating charge shall be registered on the certificate of title
 6. The ratepayer must repay the outstanding rates within three years of the end of the period for which rates have been postponed
 - a. The ratepayer may apply for one extension of a further three years
 - b. The Council will consider any application for an extension on a case-by-case basis, and may take into account any ongoing impacts of the event and other circumstances.
 7. The ratepayer must pay a postponement fee, made up of interest (charged at the actual cost of the Council's borrowing) and an administration fee (set at the Council's actual cost of processing the initial application, including registering charges on the certificate of title).
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Rates Policy 12

Rates penalty remission for significant unexpected events

Section 87 of the Local Government (Rating) Act 2002

Objectives on the policy

The objective of this policy is to recognise that significant unexpected events may occur that place some ratepayers into significant financial hardship due to no fault of their own, and that provision of a short-term remission of penalties may limit the financial hardship.

Conditions and criteria

1. An "event" under this policy is triggered either:
 - a. By a declaration of state of national emergency or of local emergency over the District, or
 - b. By resolution of the Council, having considered the following matters:
 - i. The type of implications arising, or likely to arise, from the potential event
 - ii. Whether the potential event is unusual or whether it is a frequently occurring event
 - iii. The likelihood of the potential event having implications that last longer than the potential event itself
 - iv. Any other matter the Council considers relevant
 - c. An "event":
 - i. does not have to be of natural occurrence, and can include social and economic events
 - ii. excludes social, economic, environmental, technological and other trends, although may include events caused partially or in full by such trends (*for instance, climate change is not an event, but a large storm that is attributable to climate change could be considered an event; a significant recession can be considered an event, but a long-term sector decline cannot be considered an event*)
 - iii. excludes political or legal decisions, whether by the Council, other local authorities, central Government, or international.
 - iv. excludes impacts that arise from Council actions (for instance, road closures, events and so forth).
 - d. A resolution for an event under (b) automatically triggers both policy 11 and 12, unless the resolution states otherwise
 2. The Council may, by resolution, determine that it will remit any penalties for quarterly instalments for those affected by the event
 - a. The resolution must specify the applicable quarterly instalments
 - b. The resolution may specify the group(s) of ratepayers eligible for the penalty waiver (but if no such group is specified then all ratepayers are considered eligible)
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3. Following declaration of any event, the Council may remit any penalty within the following year where:
 - a. the ratepayer pays the outstanding rates and
 - b. can provide evidence, to the satisfaction of the Council, of reduced income or revenue, or other form of hardship (such as increased costs for recovery), as a result of the event, such as:
 - i. Assistance from central Government to reflect the event
 - ii. Information from a bank or accountant of reduced income or revenue
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