

Rates Remission Policy

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Rates Remission Policy

Policy purpose

The objectives of this policy are to:

- provide ratepayers with some financial assistance towards their rates changes;
- address circumstances where the rating system results in unintended consequences in the incidence of rates;
- support the achievement of broader council policy objectives;
- support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 by supporting Māori ownership and use of Māori land.

The council's primary mechanism for providing rates assistance for Māori land is through the Māori Land Rates Remission Policy.

Policy background

Section 102(3) of the Local Government Act 2002 provides that a council may have a rates remission policy. Section 102(3A) (b) of the Local Government Act 2002 requires that any remission policy adopted under subsection 102(3) must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

Applications

Applications for rates remission should be in writing, setting out the reasons for the request and how the remission will support the objectives of the relevant part of the Remission Policy. Council can apply for the remission on behalf of the ratepayer, provided council is certain the property meets all the criteria of the relevant part of the Remission Policy.

Each remission application is applicable to a single rating year.

Applications received during a rating year will be considered for either the current or for the following rating year, depending on the remission type. Applications will not be backdated to prior years.

Decisions

Decisions relating to the remission of rates will be made by council officers.

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Full details and criteria for Rates Remissions

Part 1 – Remission for Community, Sporting and other organisations

1.1 Remission statement

Council may remit 50% of the General Rate and/or part of the Wastewater targeted rate on land used for community, sporting or recreation purposes.

1.2 Remission Objectives

- To facilitate the ongoing provision of non-commercial community services that meet the needs of the residents of the city
- To facilitate the ongoing provision of non-commercial recreational opportunities for the residents of the city
- To assist the organisations' survival
- To make membership of the organisations more accessible to the general public; particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

1.3 Conditions and criteria

- The policy will apply to land owned by Council or owned and occupied by a registered charitable organisation which is used exclusively or principally for sporting, recreation or community purposes.
- The policy does not apply to organisations operated for private pecuniary profit.
- The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.
- Organisations making an application should include the following documents in support of their application:
 - statement of objectives

- financial accounts
 - information on activities and programmes
 - details of membership or clients.
- Qualifying organisations rated in the Community Facilities differential 1 (CF1) and 2 (CF2) categories will be eligible for rates remission under this policy.
 - The policy shall apply to such organisations as are approved by Council as meeting the relevant criteria.
 - No remission will be granted on targeted rates for water supply under this policy.
 - Remission of targeted rates for wastewater disposal under this policy will only be granted as follows, to the types of organisations specified:
 - Places of religious worship will be charged for a maximum of two pans, except in circumstances where it is evident that there is regular weekday use of the building for non-worship purposes.
 - Childcare facilities will be charged for a maximum of two pans.
 - Sports clubs will be charged for a maximum of two pans.
 - No more than 200 pans are to be charged on any one property.
 - Mārae and other similar meeting places are to be charged for a maximum of two pans.

Part 2 – Remission of Penalties

2.1 Remission statement

Council may remit all or part of a penalty where it considers it fair and reasonable to do so.

2.2 Policy objectives

To enable Council to act fairly and reasonably when rates have not been paid by the due date.

2.3 Conditions and criteria

Council may remit all or part of a penalty where it considers it fair and reasonable to do so. Matters that will be taken into consideration by Council include the following:

- the ratepayer's payment history
- the impact on the ratepayer of extraordinary events
- the payment of the full amount of rates due
- the ratepayer entering into an agreement with Council for the payment of rates.

Part 3 – Remission of targeted rates in certain circumstances

3.1 Remission statement

The Council may remit all or part of a targeted rate set as a fixed charge per separately used or inhabited part (SUIP).

3.2 Policy objectives

The objective of this remission is to promote fairness in the application of rates by allowing the Council to remit targeted rates assessed as fixed charges in circumstances where it is equitable to do so.

3.3 Conditions and criteria

A remission may be granted where an application meets one of the following criteria:

- rating units used for residential purposes in separate ownership and contiguous (ie, sharing a boundary and in common usage, as that they should reasonably be treated as a single unit). This includes but is not limited to situations where the secondary unit is used solely as a private garden or for vehicle parking;
- rating units used for residential purposes and that include a SUIP occupied by a dependent member of the family of the owner;

- for land classified as residential or rural under the council's operative district plan, targeted rates for refuse and recycling may be remitted where the service is not provided to the rating unit;
- rating units or a SUIP with a dwelling that has been damaged by fire and as a result is uninhabitable.

Part 4 – Remission on land protected for natural, historic or cultural conservation purposes

4.1 Remission statement

The Council may remit up to a maximum amount of 100% of the Hutt City Council General Rate assessed in a rating year.

4.2 Policy objectives

To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites. This policy will support the provisions of the District Plan where a number of these features have been identified.

4.3 Conditions and criteria

A remission of up to 100% of the General Rate will be granted where a rating unit meets the following criteria:

1. The rating unit includes a significant natural area, a culturally significant site, historic building, structures and places, or archaeological sites, including those identified in the District Plan or proposed District Plan, or
2. The owner has voluntarily protected these features through a relevant covenant or other legal mechanism.

Applications must be made in writing and should be supported by documentary evidence of the protected status of the rating unit; for example, a copy of the covenant or other legal mechanism.

When determining an application for remission under this part of the policy, the following matters will be considered:

- the extent to which the protection and promotion of significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites will be promoted by granting remission of rates on the rating unit;
- the degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites are present on the land;
- the degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites inhibit the economic utilisation of the land.

Part 5 – Remission of wastewater targeted rates for schools

5.1 Remission statement

The Council may remit part of the Wastewater targeted rate on land used for education purposes.

5.2 Policy objectives

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

5.3 Conditions and criteria

This part of the policy will apply only to educational establishments as defined in Schedule 1 Part 1 clause 6 of the Local Government (Rating) Act 2002.

The policy does not apply to any school house, or any part of a school used for residential purposes. The wastewater charge payable by any educational establishment in any one year will be the lesser of either:

- a. the amount of the targeted rate for wastewater, calculated based on the actual number of toilet pans in the establishment; or

b. the amount of the targeted rate for wastewater calculated based on a notional number of toilet pans in the establishment, determined according to the following formula:

Based on the establishment's water consumption for the previous financial year, each 200m³ of water used, or part thereof, shall count as one toilet pan.

Where the charge made is based on the notional number of toilet pans, the amount of the remission allowed will amount to the difference between the calculations set out in a and b above.

Part 6 – Remission of rates on land affected by natural calamity

6.1 Remission statement

The council may remit 100% of the Hutt City Council rates on a property for the duration that property cannot be used due to a natural calamity.

6.2 Policy objectives

To provide relief and assistance to any ratepayer where the use that may be made of their property has been detrimentally affected by a natural calamity.

6.3 Conditions and criteria

100% of the Hutt City Council rates may be remitted on a property deemed by the Council to be unusable. The remission is available for the duration that the property is deemed unusable. The initial application will be granted until the earlier of:

- one year following the approved application; or
- the property is deemed by the Council to be usable again.

Reapplications may be considered where the property remains unusable after one year.

Applicants for a remission under this part of the policy will also be deemed eligible to be considered for a postponement of rates under the Rates Postponement Policy. Assistance granted may therefore be in the form of either

a postponement or a remission of rates, or a combination of both; whichever is most appropriate in the individual circumstances.

Any rates postponed on rating units affected by natural calamity may at a later date be considered for a remission under this policy, when the full extent and duration of the event has become more clearly defined.

Part 7 – Remission of rates on land that transitions from Rural to Residential as a result of a District Plan change

7.1 Remission statement

The council may remit 50% of the increase in the General Rate payable on a rating unit that is moved from the Rural to the Residential differential rating category as a result of a District Plan change for the first rating year of the change.

7.2 Policy objectives

To phase in any increase to the Hutt City Council General Rate payable as a result of a rating unit's differential rating classification being changed from Rural to Residential as a result of a District Plan change.

7.3 Conditions and criteria

This policy applies to any rating unit where there is an increase in the General rate due to a District Plan change resulting in the differential rating category reclassification of that rating unit changing from Rural to Residential.

If granted, this remission will last for one rating year, being the first rating year that the change in differential rating classification takes effect. The remission will be calculated as follows:

- Rating value * Residential differential rate in the dollar (x)
- Rating value * Rural differential rate in the dollar (y)
- $(x) - (y) / 2 = \text{remission}$

Part 8 – Remission of rates - miscellaneous

8.1 Remission statement

The Council may remit part of or all of the current Hutt City Council rates on a rating unit where Council considers it fair and reasonable to do so.

8.2 Policy objectives

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. This policy provides for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies and where Council considers it fair and reasonable to remit rates.

8.3 Conditions and criteria

The Council may remit part of or all of the current Hutt City Council rates on a rating unit where Council considers it fair and reasonable to do so in circumstances including:

- the rates, or a particular rate, assessed on that rating unit are disproportionate to those assessed in respect of comparable rating units; or
- the rating policy is determined by the Council at its sole discretion to unfairly disadvantage an individual ratepayer.

The approval of this remission will not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

Part 9 – Remission of rates for low-income ratepayers

9.1 Remission statement

The council may provide up to \$250 in additional assistance to those who have been approved for the New Zealand Government rates rebate.

9.2 Policy objectives

The objective of this remission is to provide relief to those low-income households who have been approved for the New Zealand Government rates rebate.

9.3 Conditions and criteria

The purpose of this remission is to provide relief to those ratepayers who have been approved for the New Zealand Government rates rebate by providing further relief up to a maximum value of \$250.

The proportion of the \$250 that will be granted to the ratepayer will be aligned with the rebate received of the maximum allowed by the New Zealand Governments Rebate, e.g.:

- If a ratepayer qualifies for 100% of the maximum Government rebate, then they will be entitled to the maximum remission amount.
- If a ratepayer qualifies for 80% of the maximum Government rebate, then they will be entitled to 80% of the maximum remission amount.

The application for this remission will be assessed in conjunction with a ratepayer's application for the New Zealand Government rates rebate.

The ratepayer must be a natural person.

The applicant must be the owner of the rating unit, must reside at the property and the property must be in the residential differential rating category.

RATES REMISSION ON MĀORI LAND POLICY

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INTRODUCTION

Hutt City Council must adopt a policy on the remission and postponement of rates on Māori freehold land. Hutt City Council has also elected to consider applications for remission of rates on certain land in Māori ownership which is not Māori freehold land.

Hutt City Council has incorporated the principles of the preamble to Te Ture Whenua Māori Act 1993 and the matters identified in schedule 11 of the Local Government Act 2002 in making this policy, including deciding to consider applications for remission of rates on general land collectively owned by Māori in the circumstances set out in this policy. This policy is made under sections 102, 108 and 109 of the Local Government Act which reflects that the policy applies both to Māori freehold land and to general land collectively owned by Māori. Hutt City Council has determined that this policy does not offer postponement of rates as it is inconsistent with the intent of this policy to support the retention of Māori land and reduce rates debts.

In the interests of increasing subregional collaboration, this policy aligns with Greater Wellington Regional Council's proposed policy on Rates Remission on Māori Land.

1. PURPOSE

This policy allows for rates remissions on Māori freehold land and certain land in Māori ownership which is not Māori freehold land.

The purpose of this policy is to support Māori freehold land to be used in the 'best way' as determined by landowners and to remove/reduce barriers that may stand in the way of achieving the aspirations for their whenua, such as historic rates arrears. It also provides greater consistency, equity and clarity around the rating of Māori land for the benefit of Māori landowners and local authorities.

2. OBJECTIVES

1. To support the connection of Mana Whenua to their traditional lands and resources, and cultural values, where appropriate, through the short, medium and long term relief from rates.
2. To contribute to supporting Council's strategic direction and partnership with Mana Whenua. To recognise that Hutt City Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
3. To meet the requirements of the Local Government Act 2002 and to support the principles in the preamble to Te Ture Whenua Māori Act 1993

3. ELIGIBILITY, CRITERIA AND CONDITIONS

Hutt City Council will consider each application on its merit and remission may be granted where it is considered that the application meets the relevant criteria and conditions set out below.

To be granted a remission the land must be eligible. Eligible land is either:

1. Māori freehold land or land which was converted from Māori freehold land to general title by status order change pursuant to the Māori Affairs Amendment Act 1967; or
2. General land in collective Māori ownership.

Land converted from Māori freehold title to general title under the Māori Affairs Amendment Act 1967 must be in ownership of descendants of the original owners at the time of the status order change.

Land in collective Māori ownership is land owned by Māori which:

1. was transferred to a Post-Settlement Governance Entity from the Crown as the result of a Treaty settlement, where no rates had been due to Hutt City Council prior to the transfer and the land is not currently generating a commercial return, and will not generate a commercial return in the financial year the remission is applied for; or
2. is held for:
 - a. The protection of wāhi tapu or other cultural values intrinsic to the land; or
 - b. Providing economic, cultural or infrastructure support for marae (including papakainga housing); or
 - c. Educational, cultural or community purposes; or
4. Satisfies the benefits requirements for land under development in section 114A of the Local Government (Rating Act) 2002.

4. CRITERIA

Hutt City Council will give a remission of up to 100 percent of all rates due for eligible land for the years for which it is granted based on the extent to which the remission of rates will meet at least one of the following criteria:

1. Support the use of the land by owners for traditional purposes

2. Support the relationship of Mana Whenua and their culture and traditions with their ancestral lands
3. Avoid further alienation of Māori freehold land
4. Facilitate any wish of the owners to develop the land for economic use
5. Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes
6. Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere)
7. Recognise and take account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment
 - b. The protection of outstanding natural features
 - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
8. Recognise the level of community services provided to the land and its occupiers
9. Recognise matters related to the physical accessibility of the land

Rates Remission on Maori Land Policy

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5. CONDITIONS

1. Applications for remission under this policy can be made by any owner in the case of collective ownership, must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Hutt City Council. No remissions are able to be granted for a previous financial year.
2. Remissions will be granted for a period of three years, unless stated otherwise. Hutt City Council may reduce the period of remission during the period of the remission if it deems that the criteria for granting the remission are no longer met.
3. Applications should include the following information:
 - a. Details of the rating unit or units involved

- b. Documentation that shows that the land is eligible as detailed above
 - c. Supporting information to demonstrate that the remission will help achieve the criteria set out in the above section.
4. Hutt City Council may of its own volition investigate and grant remission of all or part of the rates (including penalties for unpaid rates) on any Māori land in the region.
5. Where applicable, Hutt City Council may determine that a remission will only apply to part of the land to which is eligible (for example, wāhi tapu on a portion of a site that limits some but not the entire use of the site). In these cases, the remission will be pro-rated.⁰
6. For remissions on Māori land under development that meet the benefits described in section 114A(3) of the Local Government (Rating) Act 2002, Hutt City Council will determine the duration and extent of the rates to be remitted in accordance with section 114A(4) and section 114A(5) of the Act.
7. The applicant may choose to remit the payment of a lesser amount of rates than the full amount owing.
8. Relief, and the extent thereof, is at the sole discretion of Hutt City council and may be cancelled and reduced at any time. Hutt City Council will advise landowners of the intention to cancel or reduce the remission or extent of remission, seek feedback from the landowner and take this feedback into account before making a final decision.

6. DECISIONS

Decisions on the remission of rates (including penalties for unpaid rates) under this policy, and It is needed decisions on remissions under section 114A of the Local Government Ratings Act 2002, are delegated to Hutt City Council officers and the decision must be endorsed by the Kaitātari Tumuaki Māori (Principal Māori Advisor)