

# Policy

## Policy on Rates Remission including on Māori Freehold Land

<b>TEAM:</b>	Finance
<b>RESONSIBILITY:</b>	Finance Manager
<b>Adopted:</b>	26 June 2024
<b>REVIEW:</b>	Every Three years
<b>CONSULTATION:</b>	Consultation under section 82 of the Local Government Act 2002
<b>RELATED DOCUMENTS:</b>	Section 102, 108, 109 and Schedule 11 of the Local Government Act 2002. Section 8, 9 & Schedule 1 of Local Government (Rating) Act 2002. Te Ture Whenua Māori Act 1993.

### Purpose of the Policy

1. The rates remission policy supports Council's objective of prudent financial management and Council's finance, funding, and rating policies. The policy enables Council to address unintended consequences of its rating system. The policy promotes the social, economic, cultural, and environmental wellbeing of the Ashburton District by offering part or full rates remission for the following circumstances:
  - i. Community services and recreational facilities including community and memorial halls.
  - ii. Separately inhabited dwellings for dependent family member.
  - iii. Properties protected for natural, historic, and cultural conservation purposes.
  - iv. Water rates impacted by water leaks.
  - v. Rate penalties.
  - vi. Rates on Māori Freehold land.

### General Conditions

2. Applications for the remission of rates must be made, either in writing, via an online form or over the phone. Evidence or additional documents may be required. Applications may require a statutory declaration.
3. Applications received during a rating year will apply to the following rating year commencing 1 July, and such applications will not be backdated.
4. Decisions on the remission of rates will be made by officers with the appropriate delegations.

Applicants will be notified of any decision in writing within 30 days of application. The officer's decision will be final. The applicant may reapply again in the following rating year.

5. For remissions to be considered both general and specific conditions within the policy must be met.

## Definitions

**Council** means Ashburton District Council.

**Community facility** is a facility which is open to and provided for the benefit of the public.

**Recreational Facility** is a facility which is open to and provides recreation for the public.

**Dependent Family Member** Dependent family member is defined as a person who relies on another, (in this case the property owner and/or ratepayer) for the provision of housing and financial support.

**Memorial Halls** are the halls listed in Appendix 1 to this Policy.

**Separately used or inhabited part (SUIP) of a rating unit** – means any portion of a rating unit rateable under section 15 (1) (b) of the Local Government (Rating) Act used or inhabited by the ratepayer's dependent family member for private and non-profit use.

## Rates Remission for Community and Recreational Facilities, including Memorial and Community Halls.

### Objectives

6. The objective of rates remission policy under this category is to facilitate ongoing provision of community and recreational facilities to the community.
7. This policy aims to fulfil statutory obligations by enabling rates remission on non-rateable land under the Local Government (Rating) Act 2002 (*the Act*).
8. The policy includes providing rates remission on properties eligible for 100% remission (fully non-rateable) under Part 1 of Schedule 1 of the Act and properties eligible for 50% remission (50% non-rateable) under Part 2 of Schedule 1 of the Act.
9. The policy enables the Council to take a similar approach on memorial and community halls that do not fall within the definition of non-rateable land under the Act but have identical use and purpose as that of non-rateable land.

### Specific Conditions and Criteria for Rates Remission on Memorial and Community Halls

10. Memorial and Community Halls are considered non-rateable land provided they fall within the categories of non-rateable land listed in Schedule 1 of the Act.
11. Some memorial and community halls do not meet this definition. However, Council wishes to treat them on the same basis as other memorial and community halls, because they have similar use and purpose.
12. Council will provide 100% remission of rates for all memorial and community halls (including targeted rates such as water, and wastewater, but excluding waste collection charges, water by meter charges, and stock water rates).

## **Specific Conditions and Criteria for Rates Remission on Community and Recreational Facilities**

13. Council provides for the remission of rates payable by qualifying community organisations if the property is either a Community Facility or Recreational Facility that is used exclusively to provide community services, facilities, or recreational opportunities for the residents of the Ashburton District.
14. To qualify for the remission of rates the property must be owned by one of the following:
  - Ashburton District Council
  - A registered charitable trust or incorporated society.
15. A remission of rates will not be granted to organisations operated for private pecuniary profit.
16. The maximum rate remission for qualifying community and recreational facilities will be 50% of total rates (including targeted rates such as water and wastewater but excluding waste collection charges, water by meter charges, and stock water rates).

## **Rates Remission for Properties Protected for Natural, Historic or Cultural Conservation Purposes**

### **Objective/s**

17. The policy aims to facilitate the protection and preservation of sites significant for natural, historic, or cultural conservation purposes.

### **Specific Conditions and Criteria**

18. Council provides for the remission of rates on land or buildings with cultural, natural, or historic heritage that is recognised in the Ashburton District Plan or legally protected by:
  - Heritage New Zealand Pouhere Taonga Act 2014
  - A heritage order under the Natural and Built Environment Act 2023
  - An open space covenant under the Queen Elizabeth the Second National Trust Act 1977
  - A protected private land agreement or conservation covenant under the Reserves Act 1977
  - Any other covenant or agreement entered into by the owner of the land with a public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant or agreement are registered against the title to the land and are binding on subsequent owners of the land.
19. The maximum rate remission for qualifying properties will be 50% of the rates payable on the protected portion of the land only (including targeted rates such as water, and wastewater, but excluding waste collection charges, water by meter charges and stock water rates).

## **Rates Remission for Separately Inhabited Dwellings occupied by a dependent family member subject to Private & Non-Profit Use**

### **Objective/s**

20. To assist ratepayers who own a separately inhabited dwelling which is rateable under section 15 (1) (b) of the Local Government (Rating) Act and is occupied by a dependent family member.

### **Specific Conditions and Criteria**

21. Council provides for the remission of rates payable on residential rating units which include a separately inhabited part that is occupied by a dependent family member of the owner of the rating unit.
22. The owner of the rating unit must declare that the separately inhabited dwelling/unit is not leased for any period of the previous year and not intended to do so for the next rating year.
23. An application must be submitted on or before 1st May of each year to be considered for the following rating year.
24. The owner of the rating unit must complete and provide to Council an annual statutory declaration outlining the conditions above with their application.
25. The maximum rate remission for qualifying properties will be 100% of the rates payable on maximum of one additional separately inhabited unit only (including targeted rates such as water and wastewater but excluding waste collection charges, water by meter charges, and stock water rates).

### **Rates Remission on Water Rates**

#### **Objective/s**

26. This policy aims to assist ratepayers who receive excessive water rates due to any leaks in their internal water reticulation.
27. Rate remissions on excessive water rates will incentivise owners to act promptly towards fixing the fault (leak).

### **Specific Conditions and Criteria**

28. Council may agree to a remission or part remission of water by meter charges in situations where the amount due is clearly the result of a fault (leak) in the internal water reticulation serving the rating unit.
29. The ratepayer will remain liable for the full charge of their normal water consumption based on past water consumption.
30. A remission may be made on excess charges due to leakage for one billing period only. The applicant must provide evidence that the leak has been fixed.
31. Council will only consider one remission on any excess charge due to leakage for one billing period only within a 12-month period.

### **Rates Remission of Rates Penalties**

#### **Objective/s**

32. The policy enables the Council to address the situation fairly and reasonably where rates penalties are incurred due to non-payment of rates by the due date, given that the circumstances were outside of ratepayers control.

## **Specific Conditions and Criteria**

33. Council may agree to the remission of rates penalties (excluding annual penalties) where payment has been late due to significant family disruption, death, illness, accident, or genuine mistake.
34. Rates penalties on single rates instalments (excluding annual penalties) may also be remitted as part of an agreed repayment plan for ratepayers with significant arrears because of financial hardship or difficulties.
35. Council will only consider one remission of rates penalties per applicant within a 24-month period, applicable to a single rates instalment (three-monthly).
36. Penalties resulting from Council errors will be remitted.
37. Circumstances under each application will be considered on its individual merit.

## **Rates Remission Policy for Māori Freehold land<sup>1</sup>**

### **Objectives**

38. Under Section 102 of the Local Government Act 2002, local authorities are required to have a rates remission policy on Māori Freehold land.
39. The policy supports or give effect to the preamble of Te Ture Whenua Māori Act 1993.
40. This policy seeks to ensure fair and equitable rates collection from all segments of the community while acknowledging that certain Māori freehold land has characteristics or features that may make rates remission reasonable.

### **Specific Conditions and Criteria**

41. Māori freehold land is defined in section 2 of the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject to such an order may qualify for remission under this policy.
42. Council will consider 100% rates remission on land that fulfills the following criteria;
  - a) Land that is used for the purpose of a marae, excluding any land used:
    - i. Primarily for commercial or agricultural activity; or
    - ii. As residential accommodation.
  - b) The land is unoccupied, and no income is derived from the land, and/or
  - c) The land is inaccessible, and no income is derived from the land, and/or

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<sup>1</sup> The Māori Freehold Land status of a land can change. Meaning a new land can be recognized as a Māori freehold land or a land can lose its Māori Freehold Land status. Such a decision can only be made by Māori Land Court. From a policy perspective it is recommended that at the time of rates remission policy review, Council staff must do a fresh stocktake of Māori Freehold Land in the district. Updated information on Māori Freehold land can be gathered from Māori Land Updates available on Ministry of Justice website, and Council's rating database.

For example, as of now Ashburton District has 4 locations recognized as Māori Freehold Land. Only one (Hakaterere Marae) qualify under specific conditions & criteria mentioned in the policy and receive rates remission. The remaining three locations do not meet any conditions & criteria to be considered for rates remission on Māori Freehold Land and therefore, full payable rates.

d) The land is set aside for non-use (whenua rahui) because of its natural features.

43. The Council may still charge targeted rates for services like water, wastewater, and waste collection including water by meter charges and stock water rates.

44. Applications under this policy must be made annually in writing.

### Monitoring and Review

45. This policy will be reviewed at least once every three years as part of the Councils Long Term Plan.

46. Ratepayers receiving rates remission under this policy must notify Council of any changes in their situation that may alter their eligibility for ongoing remission.

47. Council will cancel a remission granted under this policy if it is found a property no longer qualifies for rates remission.

## Appendix 1

<b>List of Memorial and Community Halls, and Māori Freehold Land treated as non-rateable under this policy</b>			
	<b>Memorial and Community Halls - Non-Rateable under Schedule 1 of Local Government (Rating) Act 2002</b>	<b>Memorial and Community Halls - Non-Rateable under this Policy due to similar use &amp; purpose</b>	<b>Non-Rateable under Māori Freehold Land Category &amp; Schedule 1 of Local Government (Rating) Act 2002</b>
<b>1.</b>	Lagmhor Westerfield Memorial Hall	Dorie Hall	Hakatere Marae
<b>2.</b>	Mayfield Memorial Hall	Lauriston Hall	
<b>3.</b>	Mt Hutt Memorial Hall	Rokeby Hall	
<b>4.</b>	Mt Somers Memorial Hall	Staveley Hall	
<b>5.</b>	Rakaia Memorial Hall	Ashburton Centennial Sports Hall	
<b>6.</b>	Tinwald Memorial Hall	Carew Hall	
<b>7.</b>	Alford Forest Hall	Chertsey Hall	
<b>8.</b>	Ealing Hall	Eiffleton Hall	
<b>9.</b>	Greenstreet Hall	Hinds Community Centre	
<b>10.</b>	Highbank Hall	Lowcliffe Hall	
<b>11.</b>	Hockey Pavilion Walnut Ave	Pendarves Hall	
<b>12.</b>	Lake Clearwater Hall	Ruapuna Community Hall	
<b>13.</b>	Lyndhurst Reserve	Wakanui Hall	

<b>14.</b>	Lynnford Hall	Willowby Hall	
<b>15.</b>	Maronan Community Hall		
<b>16.</b>	Oval Pavilion		
<b>17.</b>	Seafield Hall		
<b>18.</b>	Winchmore Hall		