

Draft Policy *detailed changes*

RATES REMISSION

TEAM:	Finance
RESPONSIBILITY:	Finance Manager
ADOPTED:	30 June 2021
REVIEW:	Every three years
CONSULTATION:	Consultation under section 82 of the Local Government Act 2002
RELATED DOCUMENTS:	Local Government Act 2002 Local Government (Rating) Act 2002

Policy Objective

1. This policy aims to:

- define the objectives sought to be achieved by the remission of rates;
- set out the conditions and criteria to be met in order for rates to be remitted;
- support the overall objectives of prudent financial management and Council's finance, funding and rating policies
- promote the economic, social, cultural and environmental wellbeing of the Ashburton district by:
 - facilitating the provision of community services and recreational opportunities, including community and memorial halls;
 - encouraging the protection of land for natural, historic or cultural purposes;
 - providing an equitable rate impost on separately inhabited dwellings;
 - responding appropriately through the rating system to internal reticulation leaks affecting properties on water by meter charges; and
 - align where practicable, with other Council strategies, plans and policies.

Commented [RM1]: Revised statement of objectives

Definitions

Council means Ashburton District Council.

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

Policy Statement

Community Facilities

2. Council provides for the remission of rates payable by qualifying community organisations if the property is used exclusively to provide community services, facilities and recreational opportunities for the residents of the Ashburton District.
3. 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.
4. A remission of rates will not be granted to organisations operated for private pecuniary profit.
5. The maximum rate remission for qualifying community facilities will be 50% of total rates (including targeted rates such as water and sewerage, but excluding water by meter charges and stock water rates).
- ~~6. Applications received during a rating year will apply to the following rating year. Applications will not be backdated.~~
- ~~7. Council will grant a maximum of one rates remission for any one rating unit, in any one financial year, unless there has been a Council error.~~

Commented [RM2]: Plain English. Reduce duplication.

Separately Inhabited Dwellings

8. 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.
9. The owner of the rating unit must complete and provide to Council a statutory declaration outlining the conditions above, and this declaration will be effective for three years or until the conditions cease, whichever is earlier. The owner must provide a fresh declaration after each three year period.
10. The remission will be for a maximum of the additional inhabited unit (the minor flat or other residential accommodation unit) and includes targeted rates such as water and sewerage.

Commented [RM3]: Clarify meaning of policy

Memorial and Community Halls

11. Memorial and community halls are considered non-rateable land by the Local Government (Rating) Act 2002, provided they fall within the categories of non-rateable land listed in Schedule 1 to the Local Government (Rating) Act 2002

12. Some memorial and community halls do not fall within those definitions. Council wishes to treat them on the same basis as other memorial and community halls.

13. ~~Council will provide 100% remission of rates for all memorial and community halls including 100% remission of service rates (targeted rates such as water and sewerage but excluding water by meter charges and stock water rates).~~

Commented [RM4]: Revised policy on community and memorial halls.

14. ~~Applications received during a rating year will apply to the following rating year. Applications will not be backdated.~~

15. ~~Council will grant a maximum of one rates remission for any one rating unit, in any one financial year, unless there has been a Council error.~~

Commented [RM5]: Plain English. Reduce duplication.

Properties Protected for Natural, Historic or Cultural Conservation Purposes

16. 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:

- A heritage covenant under the Historic Places Act 1993
- A heritage order under the Resource Management Act 1991
- 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.

17. 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 sewerage, but excluding water by meter charges and stock water rates).

18. ~~Applications received during a rating year will apply to the following rating year. Applications will not be backdated.~~

19. ~~Council will grant a maximum of one rates remission for any one rating unit, in any one financial year, unless there has been a Council error.~~

Commented [RM6]: Plain English. Reduce duplication.

Remission and Postponement of Rates on Māori Freehold Land

20. Council does not provide for the remission or postponement of rates on Māori freehold land, unless the application qualifies under another remission provision detailed in this policy.

Remission on Water Rates

21. 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.
22. The ratepayer will remain liable for the full charge of their normal water consumption based on past water consumption.
- ~~23.~~ A remission may be made on excess charges due to leakage for one meter-reading billing period only. The applicant must provide evidence that that the leak has been fixed. ~~The billing period shall be the meter reading period preceding the date of the application for remission.~~

Commented [RM7]: Revised policy on water rates remissions.

Remission of Rates Penalties

24. 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.
25. 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 as a result of financial hardship or difficulties.
- ~~26.~~ Council will only consider one remission of rates penalties per applicant within a 24 month period, applicable to a single rates instalment (three-monthly). This restriction will be waived for penalty write-offs for instalments 1-4 of the 2020-21 rating year with write-offs meeting Council's criteria being available for all instalments.
27. Penalties resulting from Council error will be remitted.

Commented [RM8]: Clarify meaning of policy

Commented [RM9]: Revised policy on rates penalty remissions

Application and Consideration

28. Applications (other than those under clause 23) received during a rating year will apply to the following rating year, and such applications will not be backdated. Applications under clause 23 will apply to the rating year where leakage has occurred. Where leakage has spanned two rating years, Council may remit excess charges in two years but in no case for a period greater than twelve months.
29. Council will grant a maximum of one rates remission for any one rating unit, in any one financial year, unless there has been a Council error. This does not apply to remission of rates penalties.
30. 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.
31. 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.

Commented [RM10]: Plain English. Reduce duplication. Clarify meaning of policy.

Commented [RM11]: Clarify meaning of policy

32. In granting remissions under this policy, Council may specify certain conditions before a remission will be granted. Applicants ~~will be required to~~ **must** pay any remitted rates if the applicable conditions are not ~~adhered to~~ **met**.

Commented [RM12]: Plain English. Use simple words.

Monitoring and Review

33. Remissions granted under this policy will be reviewed at least **once** every three years as part of the Councils Long Term Plan.

Commented [RM13]: Clarify meaning of policy.

34. Ratepayers receiving rates remission under this policy ~~are required to~~ **must** notify Council of any changes in their situation that may alter their eligibility for ongoing remission.

Commented [RM14]: Plain English. Use simple words.

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

Commented [RM15]: Plain English. Use simple words.