

 KAIPARA DISTRICT <small>THE OCEAN. THE BAY. THE BAY. THE BAY.</small>	Title of Policy	Rates Postponement and Remission Policy		
	Sponsor	General Manager Finance Sustainable Growth and Investment	Authorised/Adopted by	Council
	Written By	Revenue Manager	Date Adopted	14 November 2017
	Type of Policy	Rating	Review Date	14 November 2020
	File Reference	2306.20		

1 Rates Postponement and Remission Policy

1.1 Overview and Background

Section 102(3) of the Local Government Act 2002 provides that a Council may adopt a rates remission policy and/or a rates postponement policy. The two policies have been combined into a single Rates Postponement and Remission Policy.

The objective of this scheme is to:

- provide financial assistance and support to ratepayers
- address rating anomalies
- address matters related to wastewater charges
- cover other objectives.

The Council must consult on a draft policy or amendment in a manner that gives effect to section 82 of the Local Government Act 2002 to adopt and amend this Policy.

The Council's Rates Postponement and Remission Policy is set out in four parts, each containing a number of schemes.

Part One - Financial Assistance and Support

- Rates Postponement for Financial Hardship
- Rates Remission for Financial Hardship
- Rates Remission of Penalties Only.

Part Two - Addressing Anomalies

- Rates Remission of Multiple Uniform Annual General Charges and other Uniform Charges on Rating Units
- Rates Remission for Community, Sporting and Other Organisations
- Rates Postponement or Remission for Miscellaneous Purposes.

Part Three - Addressing Matters Related to Wastewater Charges

- Rates Remission for School Sewerage Charges

Part Four - Other Schemes

- Water Supply Rates Remission for Excessive Water Rates due to a Fault.

1.2 Full details of each rates remission and postponement scheme

Part One - Financial Assistance and Support Schemes

Rates Postponement for Financial Hardship

Objective

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

Criteria

The ratepayer must meet the following criteria to be considered for rates postponement for hardship:

- 1 The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
- 2 The rating unit must be used solely by the ratepayer as his/her residence.
- 3 No person entered on the Council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the District, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
- 4 The current financial situation of the ratepayer must be such that he/she is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.
- 5 The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Offices, at either Dargaville or Mangawhai, or on Council's website www.kaipara.govt.nz).

Conditions

The Council will consider, on a case-by-case basis, all applications received that meet the above criteria.

- 1 For the rates to be postponed, written confirmation of the ratepayer's financial situation must be provided from the ratepayer's budget advisor. Additionally, Council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise e.g. budget advisors or the like.
- 2 For the rates to be postponed, the Council will require a statutory declaration:
 - a) that the ratepayer does not own any other property or have significant interest in a business or shares; and
 - b) containing the value of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.
- 3 For the rates to be postponed, the Council will require the ratepayer to first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

- 4 The Council will add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to the date that they are paid. This fee will not exceed the Council's administrative and financial costs of the postponement.
- 5 The postponement will apply from the beginning of the rating year in which the application is made, although the Council may consider backdating to before the rating year in which the application is made depending on the circumstances.
- 6 Any postponed rates will be postponed until:
 - a) the death of the ratepayer(s); or
 - b) the ratepayer/s cease/s to be the owner or occupier of the Rating Unit; or
 - c) the ratepayer/s cease/s to use the property solely as his/her residence; or
 - d) the postponed rates are 80% of the available equity in the property; or
 - e) a date specified by Council.
- 7 All or part of the postponed rates may be paid at any time. The applicant may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this scheme.
- 8 Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Delegation of decision-making

Decisions relating to the postponement of rates will be made by the General Manager [Finance Sustainable Growth and Investment](#) or Chief Executive.

Rates Remission for Financial Hardship

Objective

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

Criteria

The ratepayer must meet the following criteria to be considered for a rates remission for financial hardship:

- a) The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
- b) The rating unit must be used solely by the ratepayer as his/her residence.
- c) No person entered on the Council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the District, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
- d) The current financial situation of the ratepayer must be such that s/he is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision

for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.

- e) The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Offices, at either Dargaville or Mangawhai, or on Council's website www.kaipara.govt.nz).

Conditions

The Council will consider, on a case by case basis, all applications that meet the above criteria.

- a) For the rates to be remitted, the ratepayer's financial situation must be such that the ratepayer is eligible for, and has applied for, the Government rates rebate scheme. Additionally, Council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise e.g. budget advisors or the like.
- b) For the rates to be remitted, the Council will require a statutory declaration that the ratepayer does not own any other property or have significant interest in a business or shares.
- c) The remission will apply from the beginning of the rating year in which the application is made, although the Council may consider backdating to before the rating year in which the application is made depending on the circumstances.

Delegation of decision-making

Decisions relating to the remission of rates for financial hardship will be made by the General Manager [Finance Sustainable Growth and Investment](#) or Chief Executive.

Rates Remission of Penalties Only

Objective

The objective of this scheme is to enable the Council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

Criteria

- 1 Where the ratepayer meets the payment conditions agreed with the Council to resolve ~~a~~-rates arrears, the Council can remit any part of the penalties already incurred ~~or yet to be incurred~~.
- 2 The penalties incurred on the first instalment of each financial year will be remitted if the ratepayer pays the total amount of rates due for the year, excluding the penalty on the first instalment, but including any arrears owing at the beginning of the financial year, by the second instalment due date.
- 3 There are extenuating circumstances.
- 4 The ratepayer has paid after the penalty date, but has not received a rates penalty remission under this scheme within the past two years.

Conditions

- 1 ~~If the ratepayer stops paying rates then the Council is able to reinstate the penalties.~~

21 The remission will apply from the beginning of the rating period in which the application is approved and may not necessarily be backdated to prior years.

Treatment of Penalties on Small Overdue Balances

When a small balance is overdue which is uneconomical to collect, the Revenue Manager, the General Manager Finance-Sustainable Growth and Investment, or the Chief Executive may write-off the balance in line with other Council procedures. Penalties will not be applied in these circumstances.

Delegation of decision-making

Decisions relating to the remission of rates penalties will be made as follows:

- for meeting condition/criterion 1 (enters payment conditions to resolve rate arrears) - General Manager Finance-Sustainable Growth and Investment or Chief Executive
- for meeting condition/criterion 2 (pays outstanding rates by instalment 2) - Revenue Manager, General Manager Finance-Sustainable Growth and Investment or Chief Executive
- for meeting condition/criterion 3 (extenuating circumstances) - General Manager Finance-Sustainable Growth and Investment or Chief Executive
- for meeting condition/criterion 4 (late payment but first in two years) - Revenue Manager, General Manager Finance-Sustainable Growth and Investment or Chief Executive
- for meeting condition/criterion 6 (backdating remission to prior years) - General Manager Finance-Sustainable Growth and Investment or Chief Executive.

Part Two - Addressing Anomalies

Rates Remission of Uniform Annual General Charges and other Uniform Charges on Rating Units

Objective

To enable Council to act fairly and equitably with respect to the imposition of uniform charges on two or more separate rating units that are contiguous, and used jointly for a single residential or farming use but do not currently meet section 20 of the Local Government (Rating) Act 2002.

Conditions and Criteria

- 1 The Council may remit multiple sets of Uniform Annual General Charges and relevant targeted rates set as a fixed amount per rating unit or Separately Used or Inhabited Part of Rating Unit (SUIP) in the following circumstances:
 - a) Where a ratepayer owns and resides on two separate residential rating units that are contiguous and used jointly as a single residential property;
 - b) Where a farming operation consists of a number of separate Certificates of Title or rating units that are contiguous, the occupier of all rating units is the same and operated jointly as a single farm, but is owned by a number of separate owners. In some cases the rating units may have different property categories.
- 2 Properties that have been subdivided for sale are not eligible for remission of Annual General Charges and relevant targeted rates.
- 3 Targeted rates set as a fixed amount for a service actually provided or made available to each separate part of the rating unit, such as water and wastewater rates, shall not be eligible for remission.
- 4 Owners wishing to claim a remission under this scheme may be required to make a written application or declaration using the appropriate application form and to supply such evidence as may be requested to verify that a remission should be granted under this scheme.
- 45 Applications must be received prior to the commencement of the rating year (1 July – 30 June). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

Delegation of decision-making

Decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance Sustainable Growth and Investment or Chief Executive.

Rates Remission for Community, Sporting and Other Organisations

Objective

To enable Council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community

focus, but do not currently meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.

Criteria

- 1 Council may remit all or part of rates to land that is being used or occupied under the following circumstances:
 - a) Land owned or used by a society or association of persons, whether incorporated or not, for the purposes of a public hall, library, museum or other similar institution.
 - b) Land owned or used by a society or association of persons, whether incorporated or not, for games or sports other than galloping races, harness races and greyhound races, and does not meet the 50% non-rateable definition as a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.
 - c) Land owned or used by a society or association or persons, whether incorporated or not, the object or principal object of which is to conduct crèches or to conserve the health or well-being of the community or to tend the sick or injured.
 - d) Land owned or used by a society or associations of persons, whether incorporated or not for sporting, recreation, or community purposes that does not meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.
- 2 In all cases, land that is used for the private pecuniary profit of any members of the society or association shall not be eligible for a rates remission.

Conditions

- 1 The rates remission for the following uses is:

Land use	Remission
Public halls, libraries, museums	100%
Sports Clubs	50%
Other community groups	50%

- 2 The remission of rates does not extend to rates set for water supply, wastewater services and (if applicable) refuse services.

- 23 Applications must be received prior to the commencement of the rating year (1 July – 30 June). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

Delegation of decision-making

Decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance Sustainable Growth and Investment or Chief Executive.

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Rates Postponement or Remission for Miscellaneous Purposes

Objective

The objective of this scheme is to enable the Council to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other schemes in the Rates Postponement and Remission Policy, but where the Council considers it appropriate to do so.

Criteria

- 1 The Council may postpone or remit rates and/or penalties on rates on a rating unit where it 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;
 - b) The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the Council's other rates postponement or remission schemes, but are not actually covered by any of those schemes;
 - c) There are exceptional circumstances that the Council believes that it is equitable to postpone or remit the rates and/or penalties on rates.

Conditions

- 1 Where the Council and the ratepayer have agreed to postpone rates and/or penalties on rates:
 - a) Applications must be received in writing by Council from the ratepayer.
 - b) Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the scheme.
 - c) Postponed rates will be registered as a Statutory Land Charge on the Certificate of Title.
 - d) Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year.
 - e) Any postponement is valid for the year in which the application was made.
 - f) Ratepayers will be encouraged to obtain financial and/or legal advice about the rates postponement from an appropriate independent person.

2 The Council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this scheme.

23 Applications must be received prior to the commencement of the rating year (1 July – 30 June). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

Delegation of decision-making

Decisions relating to the remission of rates and/or penalties on rates will be made by the Chief

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Executive.

Part Three - Addressing Matters Related to Wastewater Charges

Rates Remission for School Sewerage Charges

Objective

To maintain the intent in providing relief and assistance to educational establishments that are subject to multiple pan charges for wastewater services as defined in the since repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.

Conditions and Criteria

- 1 This part of the scheme will apply only to educational establishments as defined in the repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001. The scheme does not apply to any schoolhouse, or any part of a school used for residential purposes.
- 2 The calculated number of pans of any educational establishment in any one year subject to the relevant wastewater targeted rate will be the lesser of:
 - a) The **actual** number of toilet pans in the establishment, or
 - b) The **notional** number of toilet pans in the establishment. The notional number is calculated as one pan per 20 pupils/staff. A part thereof a notional pan will attract no charge.
- 3 The charging regime to apply to these educational establishments will be the same as for commercial ratepayers with multiple pans. That is a fixed amount per rating unit of the education establishment will apply for the first two pans, with the third or more pans attracting a charge for each pan at 50% of the corresponding fixed amount.

Delegation of decision-making

Decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance-Sustainable Growth and Investment or Chief Executive.

Part Four - Other schemes

Water Supply Rates Remission for Excessive Water Rates due to a Fault

Objective

The objective of this scheme is to provide relief to ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit.

Conditions and Criteria

- 1 Definitions:
 - a) Remission means the partial or total write-off of water rates owed to the Council;
 - b) The boundary between the Council maintained water system and the privately

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maintained water system is taken as being the water meter.

- 2 Council may remit the whole or part of water rates where the application meets the following criteria:
- a) A remission will only be considered where immediate action to repair or minimise water loss is taken on notification. Any remission will only apply up to the date the ratepayer became aware of or was notified of the leak.
 - b) A remission will not normally be granted where the leak is the result of poor workmanship or incorrect installation.
 - c) All applicants are requested to submit their application in writing, using an 'Excess Water Charges Remission Application Form'.
 - d) Details of the location and the repairs to the reticulation be submitted for verification (e.g. receipt or supplier's invoice) and information supplied showing due diligence in the repair of the leak.
 - e) Any remission under this scheme is a "one-off" and any further remissions for subsequent leaks on the same reticulation supply line may only be granted if the full reticulation system is replaced. Where there are special circumstances which prevent this any remission will only be given at the discretion of the General Manager Finance Sustainable Growth and Investment.

Delegation of decision-making

Unless otherwise specified, decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance Sustainable Growth and Investment or Chief Executive.