

STRATFORD DISTRICT COUNCIL

SECTION: FINANCIAL	
POLICY: <u>RATES REMISSION</u>	
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The Stratford District Council has decided to remit all or part of the rates owed by the ratepayer in respect of rating units covered by this Rates Remission Policy provided that the conditions within this policy have been met. Rates remissions will be provided for the following categories of rating units and under the following circumstances:

- Remissions for community, sporting and other organisations.
- Remissions on land subject to an open space covenant.
- Remissions on penalties.
- Remissions on Stratford District Council owned and occupied properties.
- Remissions on sewerage disposal rates for educational establishments.
- Remission for extra financial hardship.
- Remissions for economic development.

Where a rating unit for which the Stratford District Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it should be up to that ratepayer to apply for a rates remission.

The application for rates remission must be made to the Stratford District Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.

Where a rates remission percentage applies, it is calculated on the rates that would be assessed before any application of non-rateable adjustments. (For example, if a property is 50% non-rateable, and receives a 50% remission, then no rates are due).

This policy came into force on 1 July 2003.

REMISSIONS FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy, excluding land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force, which shall receive a 50% remission if the objectives, conditions and criteria are met.

Objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Stratford District Council.

The purpose of granting rates remission to an organisation is to:

- Recognise the public good contribution made by such an organisation;
- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

This part of the policy will apply to land:

- Owned by the Stratford District Council; or
- Owned or occupied by a registered charitable organisation and are responsible for the rates; or
- Owned or occupied by a registered non-profit organisation and are responsible for the rates; and
- Which is used exclusively or principally for sporting, recreation, or community purposes by that organisation; and
- The land is not used for galloping races, harness races or greyhound races.

Note that the Council requires documentary evidence of charitable or non-profit organisational status. This policy does not apply to organisations operated for private pecuniary profit.

This policy does 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 application should include the following documents in support of their application:

- Statement of objectives; and
- Evidence of charitable/non profit status; and
- Financial accounts; and
- Information on activities and programmes; and
- Details on membership or clients.

REMISSIONS ON LAND PROTECTED FOR CONSERVATION PURPOSES

The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To preserve and promote natural resources and to encourage the protection of land for natural purposes. This policy will support the provisions of the Stratford District Council District Plan 1997.

Conditions and Criteria

This part of the policy will apply to ratepayers who:

- Own rating units subject to an open space registered on the land title; or
- Own rating units subject to Clause B2.9 Esplanade Strips, Covenanted Wetlands and Access Strips of the Stratford District Plan 1997.

The remission will apply to the area of land included in the protected conservation area.

Applications 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.

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and pay any remitted rates if the conditions are violated.

REMISSIONS ON PENALTIES

The Stratford District Council will provide rates remission of penalties to all ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

The objective of this part of the remission policy is to enable the Stratford District 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.

Conditions and Criteria

On application by the ratepayer, a remission of an instalment penalty imposed under Section 58(1)(a) of the Local Government (Rating) Act 2002 shall be granted if this is the first instance of late payment by the ratepayer within the previous six rating years.

Where a ratepayer enters into a payment arrangement for the payment of the current year rates and any rate arrears, further penalties will be granted a remission. However, any default in the arrangement will cause the remission to be cancelled. It should be noted that any penalties applied up to the date of commencement of the arrangement will remain. Council will delegate decisions on arrangement remissions as follows:

Full amount owed is paid by 30 June next	Revenue Officer
Full amount owed is paid by 30 June the following year	Corporate Services Manager
Arrangements beyond 30 June the following year	Chief Executive

REMISSION FOR EXTREME FINANCIAL HARDSHIP

The Stratford District Council will provide rates remission up to 100% to all ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

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

Conditions and Criteria

Council will consider, on a case by case basis, all applications received that meet its criteria.

Only rating units used solely for residential purposes as defined by Council will be eligible for consideration for rates remission for extreme financial circumstances.

Formal application must be made by the ratepayer or the ratepayer's authorised agent on the application form provided by Council for the purpose, providing full information as required by the application form.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- age;
- physical or mental disability;
- injury;
- illness; and
- family circumstances.

Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and 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.

The application for a remission under this policy will be assessed independently from the Government Rates Rebate Scheme.

REMISSIONS ON STRATFORD DISTRICT COUNCIL OWNED AND OCCUPIED PROPERTIES

The Stratford District Council will provide rates remission of 100% on rating units owned and occupied by the Stratford District Council which meet the objectives, conditions and criteria of this policy.

Objective

The objective of this part of the remission policy is to enable the Stratford District Council to be cost-neutral in regard to other ratepayers whilst being administratively efficient.

Conditions and Criteria

This part of the policy applies to rating units owned and occupied by the Stratford District Council.

This part of the policy does not apply to rating units that are owned by the Stratford District Council but are leased to a third party and the terms of the lease provide for rates to be paid by the Lessor.

REMISSIONS ON SEWERAGE DISPOSAL RATES FOR EDUCATIONAL ESTABLISHMENTS

The Stratford District Council will provide rates remission to educational establishments so that they pay the lesser of the standard sewerage disposal rate or an amount calculated as if the Rating Powers (Special Provision for Certain Rates on Educational Establishments) Amendment Act 2001 was still current.

Objective

The objective of this part of the remission policy is to enable the continuation of the special provisions that were enacted in 2001 for calculating sewerage disposal rates for educational establishments pending the Ministerial Review provided for in sections 25 and 26 of the Local Government (Rating) Act 2002.

Conditions and Criteria

On application from an Educational Establishment that qualified within the Rating Powers (Special Provision for Certain Rates on Educational Establishments) Amendment Act 2001, and the provision of the required figures as at 1 March of same year as the beginning of the financial year to which the remission applies, a remission will be granted so that the lesser of the calculated amounts shall be charged.

RATES REMISSION AND POSTPONEMENT ON MAORI FREEHOLD LAND POLICIES

Legislative Summary

Section 91 of the Local Government (Rating) Act 2002 establishes the principle that Maori freehold land is liable for rates in the same manner as if it were general land.

Section 102(4)(f) of the Local Government Act 2002 states that the Stratford District Council must adopt a rates remission and postponement policy on Maori freehold land.

Section 108 and Schedule 11 of the Local Government Act 2002 states what the policy must contain.

Section 114 of the Local Government (Rating) Act 2002 allows the Stratford District Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.

Section 115 of the Local Government (Rating) Act 2002 requires the Stratford District Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy and is satisfied that the conditions and criteria in the policy are met.

Consultation on the policy shall be carried out using the special consultative procedures within section 82 and section 83 of the Local Government Act 2002.

REMISSION OF RATES ON MAORI FREEHOLD LAND POLICY

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.

The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy.

Where a rating unit for which the Stratford District Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it should be up to that ratepayer to apply for a rates remission.

The application for rates remission must be made to the Stratford District Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.

Objectives

The objectives of this policy are:

1. To recognise situations where there is no owner, occupier or person gaining an economic or financial benefit from the land.
2. To set aside land that is better set aside for non-use because of its natural features (whenua rahui).
3. To recognise matters related to the physical accessibility of the land.
4. To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

5. Where part only of a block is occupied, to grant remission for the portion of land not occupied.
6. To facilitate development or use of the land where the Stratford District Council considers rates based on actual rateable value make the actual use of the land uneconomic.
7. To recognise and take account of the importance of land in providing economic and infrastructure support for Marae and associated papakainga housing.
8. To recognise use of the land by the owners for traditional purposes.
9. To recognise occasions where granting remission will avoid further alienation of Maori freehold land.
10. To recognise occasions where the Stratford District 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 collectible.

Conditions and Criteria

The Stratford District Council will maintain a register titled the 'Maori Lands Rates Relief Register' ('the Register') for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The Register will record the property details and the appropriate objectives (1-10) above.

Applications for rates remission under this policy should include the following information with their application:

- Details of the property.
- The objectives (1-10 above) that will be achieved by providing a remission.
- Documentation that proves the land which is the subject of the application is Maori freehold land.

Council may at its own discretion add properties to the Register.

Council will review the Register annually and may:

- Add properties that comply.
- Remove properties where the circumstances have changed and they no longer comply.

RATES POSTPONEMENT ON MAORI FREEHOLD LAND POLICY

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

No postponement will be granted on targeted rates for water supply, sewage disposal or refuse collection.

Objective

The postponement of rates on Maori freehold land is to facilitate the development and use of the land for economic use where the Stratford District Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Conditions and Criteria

The Stratford District Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use.

Application should be made prior to the development. Applications made after the commencement of the development may be accepted at the discretion of the Stratford District Council.

Applications for postponement under this policy should include the following information with their application:

- Details of the property.
- The objectives that will be achieved by providing postponement.
- Details of the proposed development.
- Documentation that proves the land which is the subject of the application is Maori freehold land.

The Stratford District Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

REMISSION FOR ECONOMIC DEVELOPMENT

This provides for rates relief for new development or redevelopment of land by way of constructing, erecting or altering buildings, fixed plant and machinery or other works intended to be used solely or principally for industrial, commercial or administrative purposes where the cost of such development is not less than \$500,000 (excluding GST) as assessed under the Building Act.

The Council will be prepared to consider any application for building development which can demonstrate that it will be to the economic advantage of the Stratford District. Economic advantage will be deemed to occur if the development will result in:

- significant employment growth or employment retention in Stratford District; and/or
- significant downstream new business for other Stratford District manufacturers or suppliers of goods and services.

Developments for industrial, commercial or administrative purposes which the Council wishes to foster are in the following sectors:

- Primary production and processing.
- Tourism, including recreational, cultural and conference facilities.
- Manufacturing, especially those which have high potential for employment related to the total cost factor.
- Health services.
- Retailing.
- Hotels, motels and other transient accommodation.
- Administrative services, including those provided by Government and private sector agencies.

In the event of any developer, to whom rates relief has been granted, selling the property within which the eligible investment was made, rates relief ceases from the date of the sale.

Forms Of Rates Relief

The Council may remit or postpone (or a combination of these) part or all of the general rates otherwise payable on the subject property for the period of the development and up to three rating years thereafter.

The Council may impose conditions on the remission or postponement of rates and may cancel any remission or postponement in the event of non compliance by the applicant with those conditions. In those circumstances, the Council may require payment of full rates in respect of any year in which rates have been remitted.

Factors To Be Considered

The Council will have regard to the following matters when considering applications for rates relief:

- Whether and to what extent, the development will, when completed, be to the economic advantage of the Stratford District including the creation of significant employment opportunities. The creation of jobs will be a strong factor in favour of granting rates relief, but the retention of existing jobs and the potential for job creation will also be positive factors.
- Whether and to what extent the granting of relief will be of material benefit to the development.
- Whether the investment limit and economic benefits criteria are met jointly in the case of a Lessor/Lessee arrangement.
- Whether and to what extent the development can be served by the existing basic Council services infrastructure.
- The level of financial contributions and development levies collected under provisions of the District Plan.
- Such other matters as the Council may, from time to time, consider relevant.