

Policy:	Rates Remission
Department:	Corporate Services
Approved by:	Council
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## 1. Rate Remission Policy

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:

- Stratford District Council owned and occupied properties.
- Māori freehold land.
- Community, Sporting and other organisations.
- Land with Biodiversity Vegetation (indigenous vegetation, significant habitats or indigenous fauna and wetlands)
- Promoting Business Development.
- Properties made uninhabitable due to Fire
- UAGC on Low Value Properties.
- Excess Water Consumption due to a Leak.
- Water Targeted Rate as compensation for water main easement.
- Rates on Abandoned Land
- Penalties on Rates
- Uniform Annual Charges on non-contiguous rural and commercial properties.
- 50% Water or 50% Wastewater where the Council service does not go past the property boundary but is within the distance requirements to be serviceable
- Community, Sporting and other Organisations for the 50% water or 50% wastewater charge.

Where a rating unit for which the Stratford District Council has granted a rate 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 will 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 approved during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

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).

## 2. Remission on Stratford District Council Owned and Occupied Properties

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 remission is to enable Council to be cost-neutral in regard to other ratepayers whilst being administratively efficient.

### **Conditions and Criteria**

This remission applies to rating units owned and occupied by the Stratford District Council.

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

### **3. Rate Remission and Postponement of Māori Freehold Land**

This remission aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori 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.

The application for rates remission must be made to 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, wastewater system or solid waste.

#### **Legislative Summary**

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

Section 102(2)(e) of the Local Government Act 2002 states that Council must adopt a rates remission and postponement policy on Māori freehold land.

Māori 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 Māori Land Court. Only land that is subject to such an order may qualify for remission under this policy.

#### **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 Council considers rates based on 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 Māori 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**

Council will maintain a register titled the 'Māori 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:

- 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 Māori 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.

Where a rating unit for which 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.

#### **4. Remission 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 and Supply of Alcohol Act 2012 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.

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 remission will apply to land:

- owned by the Stratford District Council; or
- owned or occupied by a registered charitable organisation that is responsible for the rates; or
- owned or occupied by a registered non-profit organisation that is responsible for the rates; and
- 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 Council requires documentary evidence of charitable or non-profit organisational status. This policy does not apply to organisations operated for private pecuniary profit.

This remission 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.

## **5. Remissions for Biodiversity (Indigenous Vegetation, Significant Habitats of Indigenous Fauna and Wetlands)**

The Stratford District Council will provide rates remission of up to 100% of the rates on land with biodiversity vegetation (indigenous vegetation, significant habitats of indigenous fauna and wetlands) on it to all ratepayers who meet the objectives, conditions and criteria of this policy.

### **Objectives**

To preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna. This policy will support the provisions of the Stratford District Council District Plan.

### **Conditions and Criteria**

This remission will apply to ratepayers who:

- own rating units that have a site listed in Appendix 9: Wetlands, Areas of Significant Indigenous Vegetation and Significant Habitats of Indigenous Fauna in the Stratford District Plan; and
- voluntarily protect and maintain these areas that are within the boundary of the wetlands identified in Appendix 9.

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

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications approved during a rating year will be applicable from the commencement of the following rating year.

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

In considering any application for remission of rates under this part of the policy Council will consider the following criteria:

- the extent to which the preservation of biodiversity vegetation will be promoted by granting remission of rates on the rating unit.
- the degree to which features of biodiversity vegetation are present on the land; and
- the degree to which features of biodiversity vegetation inhibit the economic utilisation of the land.

## **6. Remission for Promoting Business 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 more than \$1,000,000 (excluding GST) as assessed under the Building Act.

### **Objectives**

The objective of this policy is to promote economic development in the Stratford district by providing rates relief to property owners for significant economic investment within the district.

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.

### **Forms of Rates Relief**

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.

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, Council may require payment of full rates in respect of any year in which rates have been remitted.

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.

### **Factors to be considered**

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 Council may, from time to time, consider relevant.

## **7. Remission for Property Made Uninhabitable due to Fire**

### **Objective**

This remission provides relief to the ratepayer where significant property loss has occurred due to fire (not deliberately lit by the owner, occupier or related party) causing the dwelling to be uninhabitable, or the commercial property to cease operations, temporarily or otherwise.

### **Conditions and Criteria**

Upon notification, and in agreement with the ratepayer, the Council will remit the targeted Rates for Solid Waste, Waste Water and Water Supply for properties, where it determines it is reasonable in the circumstances to do so.

The remission applies from the date of the fire until the earlier of the date the services are reinstated, or two years from the date of the fire.

## **8. Remission of Uniform Annual General Charge (UAGC) on Low Value Residential Properties**

This remission provides for low value residential properties to not be penalised by the UAGC being in excess of 5% annually of the capital value of the property.

### **Objective**

The objective of this remission policy is to assist residential ratepayers whereby the UAGC being imposed on properties with a Capital Value of \$15,000 or less represents an excessive burden in any one financial year.

### **Conditions and Criteria**

Council will remit the UAGC on any rating unit used solely for residential purposes as defined by Council where the capital value of that rating unit does not exceed \$15,000.

## **9. Remissions for Excess Water Consumption Due to A Leak**

Council may provide relief to a ratepayer that has incurred an excessive water invoice as a result of a leak where that leak has been remedied in a timely manner once the leak was detected.

### **Objective**

The objective of this remission is to enable Council to not penalise a water consumer for a leak that resulted in excess water consumption that was out of their control.

### **Conditions and Criteria**

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.

Remission for any particular property will only be available once in a three year period. However, where a remission for a water leak has been granted to a property under this policy within this timeframe, the application will be at the discretion of the Director – Assets. Any remission over 2,000 cubic meters is to be referred to the Policy and Services Committee for approval.

## **10. Remission of Water Targeted Rate as Compensation for Water Easement**

Council has water mains installed on private properties with, in some cases, an associated easement for access and maintenance.

### **Objective**

The objective of this remission is to provide compensation for the ratepayers that have a water main across their property and associated easement agreement that provides for such remissions. This remission may be granted in future easement agreements as part of a compensation agreement if appropriate.

The remission is for the Targeted Water Rate only. The water-by-meter charges remain, subject to the Revenue and Financing Policy.

## **Conditions and Criteria**

In order to provide a Water Targeted Rate remission the following must apply:

- Compensation agreements must be in writing and formal easements recording them registered against the relevant land title.

## **11. Policy on Remission of Rates on Abandoned Land**

### **Objectives**

To minimise administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

### **Conditions and criteria**

The remission will apply to Rating units that meet the definition of abandoned land as prescribed in Section 77(1) of the Local Government (Rating) Act 2002.

Land has either failed to be sold using the authority provided in sections 77-83 or is unlikely to sell.

### **Procedure**

Rates will be remitted in full annually. Any rates arrears owing on qualifying properties at the adoption of the policy, or in the first year a rating unit qualifies under the policy, will also be remitted.

## **12. Remission On Rates Penalties**

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

### **Objective**

The objective of this remission is to enable the Stratford District Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty due date, due to circumstances outside the ratepayer's control. This section applies to all rates penalties imposed under the Council's Funding Impact Statement and Rates Resolution.

### **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 three rating years and the following criteria are met:

- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.
- On compassionate grounds, i.e., where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc.). Or if the ratepayer satisfies the Council that they had the ability to pay, however late payment was due to circumstances outside the ratepayer's control, therefore they were unable to come into council to make payment.
- The rate invoice was not received, where it can be proved that it was not due to negligence by the ratepayer.
- Where an error has been made by Council staff which has subsequently resulted in a penalty charge being imposed.
- In the case of a deceased estate, upon receipt of a letter from a Solicitor who has been granted probate, that while the winding up of the affairs of the estate are in progress and that Council may expect full payment of rates, Council may remit penalties from the time of death.

Where a ratepayer enters into a direct debit 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 from the date of the default. Any penalties applied up to the date of commencement of the arrangement will remain.

The Council, and officers with the appropriate delegated authority may remit up to 100% of the penalties (or other figure) charged to a property, where a property has sold and a settlement request has been received by council from a Solicitor prior to a Rates Instalment Due date.

The Council, and officers with the appropriate delegated authority, may remit up to 100% (or other figure) of the penalties charged to a property, where the ratepayer can demonstrate that there are circumstances outside of their control which have caused the rates to incur a penalty, and where the rates are paid in full on an agreed date.

**13. Rate Remission Policy for 50% Water or 50% Wastewater Charges where the Service does not go past their property**

The Council will provide rates remissions of the 50% Water or 50% Wastewater rate where the Council service does not go past the property boundary but is within the distance requirements to be serviceable.

**Objective**

The remission for 50% water or 50% wastewater charges is to provide relief to those ratepayers who do not have the service run past their property, but due to the distance of the service and the resulting cost of connecting to council's water and/or wastewater network the ratepayers have chosen to install alternative water and wastewater infrastructure.

**Conditions and Criteria**

- The property must not have services running past its property boundary but is within the distance requirements to be serviceable.
- The property already has provisions made for water and/or wastewater and these are acceptable to Council.

**14. Remission For Community, Sporting and Other Organisations For the 50% Water or 50% Wastewater Charge**

This remission provides relief to organisations that are not connected to these services.

**Objective**

The objective of this remission is to enable the Stratford District Council to act fairly and reasonably in its consideration of rates.

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

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These included children, youth, young families, aged people, and economically disadvantaged people.

**Conditions and Criteria**

This part of the policy will apply to land:

- owned or occupied by a registered charitable organisation that is responsible for the rates; or
- owned or occupied by a registered non-profitable organisation that is responsible for the rates; and
- is used exclusively or principally for sporting, recreation, or community purposes by that organisation.

**15. Rates Remission Policy for Uniform Annual General Charges on Non-Contiguous Rural and Commercial Properties Owned by The Same Owner and Used for a Single Purpose**

The Council will provide rates remissions of uniform annual general charges to all ratepayers who meet the objectives, conditions and criteria of this policy. Ratepayers who occupy two or



more separate rating units (and who do not qualify to be treated as one rating unit, pursuant to Section 20 of the Local Government (Rating) Act 2002, are entitled to have uniform annual general charges reduced for qualifying properties.

**Objective**

The remission of the uniform annual general charges is to provide relief for bare rural or commercial land, which is non-contiguous but operated as a single entity and owned by the same ratepayer.

**Conditions and Criteria**

- The rating units on which remission is granted must be owned by the same ratepayer and must be classified as “rural” or “commercial” for valuation purposes.
- Only one of the units may have a residential dwelling or a commercial building situated on the rating unit.
- The rating units must be used as one economic unit.

Ratepayers wishing to claim a remission should make an application to Council.