
11. Rates Remission and Postponement Policies

Community Contribution Remission Policy

OBJECTIVE OF THE POLICY

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

CONDITIONS AND CRITERIA

The Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) For games or sports, except galloping, harness or greyhound races; or
 - (c) For the purposes of any branch of art.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
4. The policy shall apply to such organisations as approved by the Corporate Services Manager and the Chief Executive, as meeting the relevant criteria.
5. The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager and the Chief Executive.
6. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g. targeted rates for water supply, sewage disposal or waste collection).
7. Organisations making application should include the following documents in support of their application:
 - Statement of objectives.
 - Full financial accounts.
 - Information on activities and programmes.
 - Details of membership or clients.
8. The Community Contribution Remission Policy will be reviewed every 3 years as part of the triennial Long Term Council Community Plan Process.

Club Rebate Remission Policy

OBJECTIVE OF THE POLICY

To assist clubs that provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

CONDITIONS AND CRITERIA

Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) For games or sports, except galloping, harness or greyhound races; or
 - (d) For the purposes of any branch of art.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The Policy will not apply where a club licence under the Sale of Liquor Act 1989 is in force.
4. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
5. The policy shall apply to such organisations as approved by the Corporate Services Manager and the Chief Executive, as meeting the relevant criteria.
6. The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager and the Chief Executive.
7. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g.. targeted rates for water supply, sewage disposal or waste collection).
8. Organisations making application should include the following documents in support of their application:
 - Statement of objectives.
 - Full financial accounts.
 - Information on activities and programmes.
 - Details of membership or clients.

The Club Rebate Remission Policy will be reviewed every 3 years as part of the triennial Long Term Council Community Plan Process.

Remission of Additional Charges Policy

OBJECTIVE OF THE POLICY

The objective of the Remission of Additional Charges Policy is to enable Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

CONDITIONS AND CRITERIA

Council grants to the Corporate Services Manager or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

1. Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than 3 working days after the day of adding the instalment additional charge.
2. Where the balance to clear the rest of the year's rates (undiscounted and including any arrears) are paid before penalties are added for the next instalment.
3. Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
5. 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.
6. Where a direct debit authority is commenced in time for the next instalment.
7. Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Uniform Annual Charges on Contiguous Properties Remission Policy

OBJECTIVE OF THE POLICY

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual General Charges (UAGC) are levied on rating units which are occupied or used by the same ratepayer being a lessee/owner using the rating units jointly as a single property for the same farming or horticulture purposes.

CONDITIONS AND CRITERIA

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAGC, where two or more separately rateable properties are:

- (a) Occupied by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and
- (b) Used jointly as a single property (for the same purpose); and
- (c) Contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual General Charges.

Council will allow, without further enquiry (except for clarification), applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments will be cancelled.

Council may remit the rates where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose.
2. Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account.
3. Council may consider reducing or cancelling any targeted rates for sewerage or waste management on such rating units, where each of the rating units are not connected to the public sewerage drain.
4. Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual General Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
5. Council grants to the Corporate Services Manager or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.

School Sewerage Charges Remission Policy

OBJECTIVE OF THE POLICY

To ensure that schools are not disproportionately charged for sewerage services based on the number of connections. Charges will be based on the school's staff and student numbers.

CONDITIONS AND CRITERIA

The policy will apply to the following educational establishments:

- Established as a special school under Section 98(1) of the Education Act 1964; or
- A state school under Section 2 (1) of the Education Act 1989; or
- An integrated school under Section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under Section 92 (1) of the Education Act 1989; or
- An early childhood centre under Section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

1. An amount levied using the same mechanism as are applying to other separately rateable rating units within the District and reduced in accordance with the following formula:-
 - (a) Divided by the number of toilets as determined in accordance with condition 3 below (the full charge); and reduced in accordance with the following graduated formula:
 - (i) The full charge for each of the first 4 toilets or part thereof;
 - (ii) 75% of the full charge for each of the next 6 toilets or part thereof;
 - (iii) 50% of the full charge for each toilet after the first 10.
 - (b) For the purpose of 1 (a) above the number of toilets for a rating unit used for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof, irrespective of the actual number of toilets contained in the qualifying part of the rating unit.
 - (c) The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.
 - (d) The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relate.
2. Calculation of Council's standard sewerage charge (based on the number of water closets/urinals).
3. Calculation of the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Annual Charge for Sewerage.
4. The amount to be remitted is the difference between the amount calculated under 1 and the amount that would have applied, had the rating unit not been used by an educational institution.
5. That the Corporate Services Manager be delegated authority to approve remission of the sewage charges in excess of the charges payable according to the policy.

Example

Green Intermediate School is situated in Moa District Council. Moa collects its rates by way of a pan charge of \$100 per pan. At 1 March 2002, Green Intermediate has 500 students, 30 staff and 28 toilet pans. How much will it pay in sewage disposal rates?

Answer: Green School would be levied \$1762.93.

The total charge in this case would be $\$100 \times 28 \text{ pans} = \2800 . *Local Government New Zealand* has a legal opinion which holds that the actual number of pans should be used for this part of the calculation.

The number of rateable pans is $530/20 = 26.5$ pans which gets rounded to 27 pans for the purposes of reducing the rates.

Council calculates that the full charge on each toilet would be $\$2800/27 = \103.70 per pan.

The total charge is then calculated with reference to the scale e.g.

4 pans at the full charge ($\$103.70 \times 4 = \414.80)

6 pans at 75 percent of the full charge ($\$77.78 \times 6 = \466.68)

17 pans at 50 percent of the full charge ($\$51.85 \times 17 = \881.45).

Total = $(414.8 + 466.68 + 881.45) = \1762.93

Rates Holiday Postponement Policy

OBJECTIVE OF THE POLICY

To assist ratepayers who undertake economic development that benefits the District as a whole.

CONDITIONS AND CRITERIA

- 1) The ratepayer must be the current owner of the rating unit.
- 2) Council must be satisfied that economic benefits will flow to the district from the development.
- 3) The ratepayer must make application to Council.
- 4) Applications for the postponement of rates will be considered by Council's Services Committee.

Remission and Postponement of Rates on Maori Freehold Land Policy

Council is treating all ratepayers the same, as such, there is no remission or postponement of rates provided specifically for Maori Freehold Land.

Ratepayers for Maori Freehold Land may be eligible for relief through the Sundry Remission of Rates Policy.

Remission of Rates for Natural Calamities Policy

OBJECTIVE OF THE POLICY

To assist ratepayers experiencing financial hardship as a result of a natural event detrimentally affecting the use of the land or the income derived from the land, and which directly affects their ability to pay rates.

CONDITIONS AND CRITERIA

Council may postpone wholly or in part, any rate or charge in respect of the property, where it considers it to be fair and reasonable to do so. This will be in circumstances where Central Government have recognized the seriousness of the event and provided financial assistance to enable the remission to occur.

The term and nature of the postponement, the proof of financial hardship and any other criteria considered necessary will be determined by Council in each case.

Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy

OBJECTIVE OF THE POLICY

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

CONDITIONS AND CRITERIA

1. The extent of the rates remission if approved is to be 100%.
2. Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant.
3. Pest eradication shall be primarily the responsibility of the owner.
4. No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area.
5. Authority to consider applications is delegated to the Corporate Services Manager with right of appeal to the Chief Executive and Council.

Sundry Remission of Rates Policy

OBJECTIVE OF THE POLICY

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Maori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

CONDITIONS AND CRITERIA

Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

Rates Discount Policy

INTRODUCTION

Under Section 55 of the Local Government (Rating) Act 2002, a discount policy may be adopted for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current year. This discount policy must be adopted using the special consultative process and may be included in the annual plan. The policy is based on existing practice. The discount policy assumes that there is only a single discount rate.

OBJECTIVE

To provide a consistent and fair basis for the application of discount for the early payment of rates in the current financial year.

CONDITIONS AND CRITERIA

Ratepayers will qualify for the discount if all due rates are paid in full, together with any outstanding prior years' rates and penalties, on the due date for payment of the first instalment in the current year (in accordance with Section 55 of the Local Government (Rating) Act 2002).

The amount of the discount will be 2.5% of the annual rates.

The discount rate may be reviewed annually as required, taking into consideration current borrowing interest rates and will be calculated to be fiscally neutral.

PAYMENT PLANS

1. Those ratepayers who agree in writing to pay all current rates plus arrears within twelve months of the agreement will have all additional charges struck in that twelve month period waived by Council.
2. All rates receipts will be credited against each ratepayers account in the following order:
 - i) Current instalment
 - ii) Additional charges
 - iii) Court costs
 - iv) Current rate arrears
 - v) Previous rate arrears – oldest first
3. A discount set at the June Council meeting each year be allowed where all rates are paid in full before the penalty date for the first instalment.
4. Easy Pay Scheme: Ratepayers who agree in writing to make regular payments which result in the payment of all current rates plus arrears within twelve months of the agreement, or where deemed necessary, the repayment period be extended to two years, then Council will waive all additional charges struck in that twelve month period.

Outstanding Accounts Policy

OBJECTIVE

1. To collect all rates, penalties on rates, outstanding rates and fees in a timely and efficient manner.
1. That the Corporate Services Manager be delegated full powers of the Local Government (Rating) Act 2002 to collect outstanding rates of Central Hawke's Bay District Council.
3. That the Corporate Services Manager be authorised to enter into arrangements with Rate Debtors and providing such arrangements are satisfactorily maintained, no legal action be initiated.
4. That in all cases where legal action brings Council to the point of Rating Sales all such instances shall be referred to Council for authorisation.