

# Rates Remissions and Postponements Policy

## Statutory framework

This Policy is prepared under sections 102 (3), 109 and 110 of the Local Government Act 2002 (the Act).

This Policy covers both the remissions of rates under section 109 of the Act and the postponement of rates under section 110 of the Act.

This Policy is also prepared in accordance with the Local Government (Rating) Act 2002, where all land is rateable unless specified in that Act, or another Act states that land is non-rateable (refer Appendix 1).

For the purposes of this Policy, the West Coast Regional Council is referred to as 'the Council'.

## Applications for remissions or postponement

All applications for remission or postponement must be in writing and must include the relevant information required for each type of remission or postponement. Applications should be:

- Mailed to: The West Coast Regional Council, P.O. Box 66, Greymouth, 7840; or
- Emailed to: rates@wrcrc.govt.nz

Applications will be considered on a case-by-case basis.

Remissions or postponements are only available to ratepayers identified in the Council's rating information database.

Remissions or postponements are limited to the rates set and assessed by the Council.

The approval of any remission or postponement is at the absolute discretion of the Council or its delegated officer as detailed in Council's Delegations Manual.

### The categories in this Remissions and Postponements Policy are:

1. Remissions for Land 50% non-rateable
2. Remission of penalties on rates
3. Remission of rates on land protected for natural, historic, or cultural conservation purposes
4. Remission of rates on land subject to natural calamity
5. Postponement due to financial hardship
6. Remission and postponement for business and economic development

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 is up to that ratepayer to apply for a rates remission.

## Reporting

Staff will maintain a register of approved applications and report this to Council's Risk and Assurance Committee quarterly.

## Category 1 Remissions for Land 50% non-rateable

### Commentary

Council has historically allowed a discretionary remission up to 50% in addition to the mandatory 50% remission. Land 50% non-rateable applies to:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

### Policy Objective

To facilitate the ongoing provision of community services and recreational opportunities for the residents of the West Coast.

### 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 public, particularly disadvantaged groups. These include children, youth, young families, aged people and those who may be economically disadvantaged.

### Conditions and Criteria

This part of the policy will apply to an applicant, who is the ratepayer, for land which is exclusively or principally used for the purposes as defined by Schedule 1 Categories of non-rateable land, Part 2 of the Local Government Act 2002. The application may be for up to 100% of rates installment on the land.

### The policy does not apply to:

- Land used by organisations operated for private pecuniary profit.
- Land which holds a licence under the Sale and Supply of Alcohol Act 2012.

### Procedure

The application for rate remission must be made to the Council prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. From time to time Council may request the documents outlined below from organisations wishing to receive a continuing remission. Failure to provide documents requested may result in the Council ending the entitlement to remission.

Remissions will cease if the criteria in the policy are no longer met.

Organisations making an application should include the following documents in support of their application:

- proof of organisation structure;
- land owned or used by the applicant;
- details of the use of the land;
- statement of objectives and how it aligns with this policy;
- financial statements;
- information on activities and programmes;
- details of membership or clients.

## Category 2: Remission of Penalties on Rates

### Policy Objective

The objective of this part of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date because of circumstances outside the ratepayer's control.

### Conditions and Criteria

Penalties are added to unpaid rates installments on the last working day of the month in which the installment was due.

Remission of penalties will be considered where payment has been late due to circumstances outside the ratepayers control. Remission will be considered in the case of death, illness, or accident of a family member, at the due date.

Remission of the penalty will also be considered if the payment received after the penalty date subsequently clears all outstanding rates at the date the penalty was applied.

### Remission of penalties may be granted:

- Where payment is made within 14 days of the penalty date provided the ratepayer has made no late payment for rates within the previous three years; or
- Where the late payment has resulted from matters outside of the ratepayers control.

### Procedure

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

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

### **Category 3: Remission of Rates on Land Protected for Natural, Historic, or Cultural conservation purposes.**

#### **Policy Objective**

To provide rates remission for private landowners who:

- enter into land protection covenants or similar protective agreements'
- have a wetland classification imposition; or
- have a Significant Natural Area (SNA) classifications imposition.

#### **Conditions and Criteria**

A remission of 100% of rates may be granted on those portions of land which are subject to:

- an open space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977;
- a heritage covenant under Sections 39 to 41 of the Heritage New Zealand Pouhere Taonga Act 2014;
- a conservation covenant under Section 77 of the Reserves Act 1977;
- a covenant for conservation purposes under Section 27 of the Conservation Act 1987;
- Land identified for protection as a Significant Natural Area, Outstanding Natural Feature or Landscape through the Regional Policy Statement, Regional Plans or District Plan(s);
- Nga Whenua Rahui kawenata under Section 77A of the Reserves Act 1977;
- a declaration of protected private land under Section 76 of the Reserves Act 1977;
- a management agreement for conservation purposes under Section 38 of the Reserves Act 1977;
- Nga Whenua Rahui kawenata under Section 27A of the Conservation Act 1987;
- a management agreement for conservation purposes under Section 29 of the Conservation Act 1987;
- a Māori reservation for cultural purposes under Sections 338 to 341 of the Te Ture Whenua Māori Act 1993(Māori Land Act 1993) (1993 No 4); or
- Land identified for protection as a natural inland wetland as defined by clause 3.21 of the National Policy Statement Freshwater Management; or
- Land identified for protection as a significant natural wetland as outlined in Schedule 1 or 2 of the West Coast Regional Land and Water Plan.

#### **Procedure**

The Applicant must obtain from a Registered Valuer the proportion of a rating unit that qualifies for remission either through adjusting the rateable capital value, land value, or land area of a property as is appropriate.

#### **In determining the proportion the Registered Valuer shall consider the following factors:**

1. the proportion of the property protected;
2. the components of value making up the overall value of the property;
3. the management of the protected property;
4. the way the property is occupied whether residential or non-residential.

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

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

## Category 4: Remission for Land Subject to Natural Calamity

### Policy Objective

To assist property owners with rates relief, for a period, where the use of the rating unit has been detrimentally affected by erosion, subsidence, submersion, fire or other natural calamity.

### Conditions and Criteria

A rates remission may be granted to rating units that are:

- Used principally for residential purposes by the owner occupier and are subject to one of the following:
  - › Erosion;
  - › Subsidence;
  - › Submersion;
  - › Fire; or,
  - › Other natural calamity that had the effect of rendering the residence uninhabitable or unusable, such as earthquake related.
- Uninhabitable or unusable for a period of greater than one month.

### Procedure

The application must be received in writing within 12 months of the event. The application must include the following support information:

- Details of the property;
- The description of the natural calamity;
- Steps taken, or that will be taken, to return the rating unit to an inhabitable or usable state; and
- An estimate of the time the rating unit is expected to be affected.

Up to 100% of all rates may be remitted for the period during which the building(s) is uninhabitable or unusable.

## Category 5: Postponement Due to Financial Hardship

### Policy Objective

The objective of this part of the policy is to assist ratepayers experiencing financial hardship, which may affect their ability to pay rates.

### Conditions and Criteria

#### Residential ratepayers

Rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement due to financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for financial hardship. The applicant must not own any other rating units or investment properties (whether on the West Coast or in another region).

When considering whether financial hardship exists, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Any postponed rates will be postponed until:

- The rate payer pays the rates; or
- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by the Council.

### Businesses

The business sector is defined as rating units in the following Buller, Grey and Westland District Councils' rating categories:

- Business (Category 13);
- Motels (Category 15); and
- Shopping Plazas (Category 16).

### Businesses making an application must include the following documents in support of their application:

- proof of business ownership;
- land owned or used by the applicant;
- details of the use of the land;
- financial statements;
- reason for making an application;

Any rates postponed due to financial hardship will not be subject to penalties and will be removed from the rates penalties regime.

### Procedure

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The Council will consider, on a case-by-case basis, all applications received that meet the Conditions and Criteria described in this category, Category 5. The Delegations Manual sets out the delegated authority to approve applications for rates postponement.

The postponed rates or any part thereof may be paid at any time.

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.

## Category 6: Remission and Postponement for Business and Economic Development

### Policy Objective

To offer rates remission and / or postponement to promote economic development and new business. The intent is that this will:

- encourage developments that assist new business to become established in the region; and
- encourage developments that assist existing business in the region to expand and grow.

### Conditions and Criteria

To be eligible for rates remission and / or postponement for business and economic development purposes, applications must meet all of the criteria in Part 1(a) and Part 1(b):

#### Part 1 (a)

- New commercial and/or industrial developments that involve the construction of any new building; or
- Existing commercial and/or industrial developments that involve substantial alterations or renovations to the existing building.

#### Part 1 (b)

- The new investment must increase the rateable value of the rating unit (units) on which the development takes place by more than 25% of the capital value of the rateable unit.

Any rates postponed for business and economic development will not be subject to penalties and will be removed from the rates penalties regime.

### Procedure

Any rates remission and / or postponement is subject to:

- A maximum of three consecutive years.
- The Council's determination of the size and length of the remission and / or postponement. Generally, it will not be of a size that results in a full remission of the rates derived by the Council from the rating unit.
- Meeting the agreed conditions which the Council considers appropriate in relation to the approval of a remission or postponement. Failure to comply with such conditions may lead either to the suspension of the remission or postponement for a period to be determined by the Council, or termination of the remission or postponement, at the Corporate Service Manager's discretion.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions and postponements will not be backdated.

Businesses making an application should include the following documents in support of their application:

- proof of organisation structure;
- land owned or used by the applicant;
- details of the use of the land;
- statement of objectives and how it aligns with this policy;
- financial statements;
- proof of capital value prior to development;
- proof of capital value after development.

## APPENDIX 1

### Extract from the Local Government (Rating) Act 2002

#### Schedule 1

#### Categories of non-rateable land

##### Part 1

##### Land fully non-rateable

1. Land forming part of—
  - a. a National Park under the National Parks Act 1980;
  - b. a reserve under the Reserves Act 1977;
  - c. a conservation area under the Conservation Act 1987;
  - d. a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.
  
2. Land vested in the Crown and forming part of—
  - a. a flood ponding area;
  - b. the bed of any navigable lake or navigable river.
  
3. Land that is—
  - a. owned by a society or association of persons (whether incorporated or not); and
  - b. used for conservation or preservation purposes; and
  - c. not used for private pecuniary profit; and
  - d. able to be accessed by the general public.
  
4. Land used by a local authority—
  - a. for a public garden, reserve, or children's playground;
  - b. for games and sports (except galloping races, harness races, or greyhound races);
  - c. for a public hall, library, athenaeum, museum, art gallery, or other similar institution;
  - d. for public baths, swimming baths, bathhouses, or sanitary conveniences;
  - e. for soil conservation and rivers control purposes, being land for which no revenue is received.
  
5. Land owned or used by, and for the purposes of,—
  - a. Heritage New Zealand Pouhere Taonga;
  - b. the Queen Elizabeth the Second National Trust;
  - c. the Museum of New Zealand Te Papa Tongarewa Board;
  - d. the charitable trust known as Children's Health Camps—The New Zealand Foundation for Child and Family Health and Development;
  - e. the Royal New Zealand Foundation of the Blind, except as an endowment.
  
6. Land owned or used by, and for the purposes of,—
  - a. a special school established under section 98(1) of the Education Act 1964;
  - b. an educational establishment defined as—
    - i. a state school under section 2(1) of the Education Act 1989;
    - ii. an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975;
    - iii. a special institution under section 92(1) of the Education Act 1989;
    - iv. an early childhood education and care centre under section 309 of the Education Act 1989, excluding any early childhood centres that operate for profit;
    - v. a school under section 35A of the Education Act 1989, excluding any registered schools that operate for profit;
    - vi. an institution under section 159(1) of the Education Act 1989.
  
7. Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.



8. Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).
9. Land used solely or principally—
  - a. as a place of religious worship;
  - b. for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.
10. Land that does not exceed 2 hectares and that is used as—
  - a. a cemetery, crematorium, or burial ground, within the meaning of section 2(1) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit);
  - b. a Māori burial ground.
11. Māori customary land.
12. Land that is set apart under section 338 of Te Ture Whenua Māori Act 1993 or any corresponding former provision of that Act and—
  - a. (a) that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
  - b. (b) that is a Māori reservation under section 340 of that Act.
13. Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.
14. Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.
15. Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.
16. Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.
17. Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.
18. Land vested in and occupied by the Crown, or by any airport authority, that is—
  - a. within the operational area of an aerodrome; and
  - b. used solely or principally—
    - i. for the landing, departure, or movement of aircraft; or
    - ii. for the loading of goods and passengers on to or from aircraft.
19. Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—
  - a. part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or
  - b. used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.
20. Land used as a wharf.
21. Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.
22. Land on which any vice-regal residence or Parliament building is situated.

23. The common marine and coastal area, including any customary marine title area, within the meaning of the Marine and Coastal Area (Takutai Moana) Act 2011.
24. The bed of Te Whaanga Lagoon in the Chatham Islands.
25. Structures that are—
  - a. fixed to, or under, or over any part of the common marine and coastal area; and
  - b. owned, or deemed to be owned, by the Crown under section 18 or 19 of the Marine and Coastal Area (Takutai Moana) Act 2011; or
  - c. owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the Te Urewera Act 2014, but subject to note 2.

**Notes:**

1. For the purposes of this Part, unless the context otherwise requires,—
  - **aerodrome** has the same meaning as in section 2 of the Civil Aviation Act 1990
  - **airport authority** has the same meaning as in section 2 of the Airport Authorities Act 1966
  - **persons in need** means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy
  - **railway line** has the same meaning as in section 4(1) of the Railways Act 2005
  - **railway operator** has the same meaning as in section 2(1) of the New Zealand Railways Corporation Restructuring Act 1990

wharf—

- a. means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but
  - b. does not include land that is used primarily or exclusively for private recreational or personal transport purposes.
2. For the purposes of clauses 1 and 2, **land does not include land that is used primarily or exclusively for private or commercial purposes under a lease**, licence, or other agreement.
  3. For the purposes of clauses 3, 9, and 10, land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—
    - a. in the case of a local authority, as part of the local authority's revenues:
    - b. solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.
  4. For the purposes of clause 6, land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—
    - a. it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and
    - b. it is let at a discounted or subsidised rent.
  5. For the purposes of clauses 18 to 20, **land does not include land that is used—**
    - a. for administrative purposes; or
    - b. for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.
  6. For the purposes of clause 21, an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—
    - a. those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and
    - b. no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

**Part 2**

**Land 50% non-rateable**

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
2. Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

**Notes:**

For the purposes of this Part, unless the context otherwise requires,—

- land does not include land used for the private pecuniary profit of any members of the society or association
- land, in clause 2, excludes land in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.