



# **Policy on Remission of Rates**

## **(Including Remissions and Postponements of Rates On Maori Freehold Land)**

February 2015

# Contents

|             |  |           |
|-------------|--|-----------|
| <b>1.0</b>  | <b>Introduction .....</b>  | <b>3</b>  |
| <b>2.0</b>  | <b>Delegation to Operate, Application Process and Review of Decisions .....</b>  | <b>4</b>  |
| <b>3.0</b>  | <b>Remission of Rates for Properties Used Jointly as a Single Unit .....</b>   | <b>4</b>  |
| 3.1         | Introduction.....  | 4         |
| 3.2         | Objectives of the Policy .....   | 5         |
| 3.3         | Conditions and Criteria .....  | 5         |
| <b>4.0</b>  | <b>Remissions for Community Organisations (Schedule 1, Part 1: Land fully non-rateable) .....</b>  | <b>6</b>  |
| 4.1         | Introduction.....  | 6         |
| 4.2         | Objectives of the Policy .....   | 7         |
| 4.3         | Conditions and Criteria .....  | 7         |
| <b>5.0</b>  | <b>Remission for Organisations providing Care for the Elderly.....</b>   | <b>9</b>  |
| 5.1         | Introduction.....  | 9         |
| 5.2         | Objectives of the Policy .....   | 9         |
| 5.3         | Conditions and Criteria .....  | 9         |
| <b>6.0</b>  | <b>Remissions for land owned by Clubs and Societies (Schedule 1, Part 2 of the Local Government Rating Act 2002 Land 50% non-rateable) ...</b> | <b>10</b> |
| 6.1         | Introduction.....  | 10        |
| 6.2         | Objectives of the Policy .....   | 11        |
| 6.3         | Conditions and Criteria .....  | 11        |
| <b>7.0</b>  | <b>Remissions of Rates for Council Properties .....</b>  | <b>12</b> |
| 7.1         | Introduction.....  | 12        |
| 7.2         | Objectives of the Policy .....   | 13        |
| 7.3         | Conditions and Criteria .....  | 13        |
| <b>8.0</b>  | <b>Remission of Rates on Maori Freehold Land .....</b>   | <b>13</b> |
| 8.1         | Introduction.....  | 13        |
| 8.2         | Objectives .....   | 14        |
| 8.3         | Interpretation of Terms .....  | 15        |
| 8.4         | Conditions and Criteria .....  | 15        |
| 8.5         | Appeals.....   | 21        |
| <b>9.0</b>  | <b>Remission of Penalties .....</b>  | <b>21</b> |
| 9.1         | Introduction.....  | 21        |
| 9.2         | Objective of the Policy.....   | 21        |
| 9.3         | Policy and Criteria.....   | 21        |
| <b>10.0</b> | <b>Remission of Rates for New Residential Subdivisions.....</b>  | <b>22</b> |
| 10.1        | Introduction.....  | 22        |
| 10.2        | Objective of the Policy.....   | 22        |
| 10.3        | Conditions and Criteria .....  | 22        |
| <b>11.0</b> | <b>Remission of Rates in Cases of Financial Hardship .....</b>   | <b>23</b> |
| 11.1        | Introduction.....  | 23        |
| 11.2        | Objective.....   | 23        |
| 11.3        | The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates. ....    | 23        |
| 11.4        | Conditions and Criteria .....  | 23        |

## 1.0 Introduction

- 1.1 The Local Government (Rating) Act 2002 (LGRA) authorises Council to set, assess and collect rates to fund its activities.
- 1.2 Section 85 of the LGRA and Section 102 (3) (a) of the Local Government Act 2002 (LGA) provide authority for Council to remit rates and to adopt a rates remission policy. Council sets rates on all rateable land in accordance with its Revenue and Financing Policy (RFP) adopted under Section 102(2) (a) of the LGA and its Funding Impact Statement (FIS) adopted under Section 20, Schedule 10 of the LGA.
- 1.3 The Rates Remission Policy (RRP) documents any exceptions to the application of the Funding Impact Statement, the objectives sought by way of exception and the criteria applied to determine eligibility.
- 1.4 The RRP sets out a policy for the remission of rates under the following headings:
- Remission of Rates for Properties used jointly as a single unit.
  - Remissions for Community Organisations.
  - Remission for Organisations providing Care for the Elderly.
  - Remissions for land owned by Clubs and Societies.
  - Remission of Rates for Council Properties.
  - Remission of Rates on Maori Freehold land.
  - Remission of Penalties
  - Remission of Rates for New Residential Subdivisions.
  - Remission of Rates in Cases of Genuine Financial Hardship.
- 1.5 The RRP is authorised by the LGA. In particular Section 109 of the LGA provides that any **Rates Remission Policy** must address the following;
- (1) *A policy adopted under section 102(3) (a) must state-*
- (a) *The objectives sought to be achieved by the remission of rates;*  
*and*
- (b) *The conditions and criteria to be met in order for rates to be remitted.*
- (2) *In determining a policy under section 102(3) (a), the local authority may consider the matters set out in Schedule 11 LGA [Matters relating to rates relief on Maori freehold land].*
- (3) *For the purposes of this section, the term **rate includes** penalties payable on unpaid rates.*
- 1.6 Section 85 of the LGRA provides that Council may remit rates on the following basis:
- (1) *A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if-*
- (a) *The local authority has adopted a remissions policy under section 102 (3) (a) of the Local Government Act 2002; and*
- (b) *The local authority is satisfied that the conditions and criteria in the policy are met.*

- (2) *The local authority must give notice to the ratepayer identifying the remitted rates.*

## **2.0 Delegation to Operate, Application Process and Review of Decisions**

- 2.1 The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of annual application to the Council by the owner or occupier of the rating unit(s) or by staff who may process applications on behalf of owners of undeveloped and unoccupied Maori Freehold Land.
- 2.2 In the event that any applicant, for remission of rates, seeks a review of any decision taken under delegation the following process shall be followed:
1. Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.  
  

Note: Additional information may be requested to allow a better understanding of the merits and background of the application.
  2. The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- 2.3 The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days.

## **3.0 Remission of Rates for Properties Used Jointly as a Single Unit**

### **3.1 Introduction**

Sections 15(2) and 16 of the LGRA provide that a Uniform Annual General Charge (UAGC) and a Targeted Rate are rates for the purposes of the Act.

The Council's RFP sets out how UAGCs and Targeted Rates are assessed against rateable land.

Section 20 of the LGRA provides that two or more rating units must be treated as one unit for setting a rate if certain criteria are met;

*... those units are –*

- (a) *owned by the same person or persons; and*
- (b) *used jointly as a single unit; and*
- (c) *contiguous or separated only by a road, railway, drain, water race, river or stream.*

This section of the RRP addresses land ownership and land use situations that fall outside of that limitation defined by Section 20 of the LGRA.

In certain situations Council believes the criteria provided for in Section 20 (a) and (c) of the LGRA does not assist ratepayers where rateable land is used as part of a farm operation.

A remission will be granted in respect of rateable property used for farming purposes where Council is satisfied its objectives are met.

### **3.2 Objectives of the Policy**

- To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c).
- To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs and other Targeted uniform annual charges – (i.e. all rates other than those charged on the basis of capital value).
- To assist ongoing rural economic development by removing a UAGC and Targeted uniform annual charge liability that might create a cost barrier to the efficient integration of non contiguous land into one farming operation.
- To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:
  - good land management,
  - an improvement to visual amenity values
  - better environmental outcomes through assisting in weed and pest management
  - reduction of risk of fire hazard and to public health
- By enabling non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs and other Targeted uniform annual charges.

### **3.3 Conditions and Criteria**

The following categories of land use shall determine whether or not this policy shall apply to rateable land.

#### **1 Rateable Land used for Farming Purposes**

For the purposes of this policy, land used for farming purposes shall be defined as land used for 'pasturage'; being, the business of feeding or grazing livestock. Eligible farming properties are those where:

- a The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and
- b The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d The land for which the remission is sought is not occupied by a habitable dwelling.

## 2 Rateable Land located in Townships

Rateable land located within Waitomo District townships where:

- a The applicant is the owner or holds a written long term interest in two or more separately rateable properties that are not contiguous; and
- b The properties are used jointly as a single property; and
- c The property for which the remission is sought does not carry improvements exceeding \$1,000 in value, and is not occupied by a dwelling.
- d The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.

Application for remission of rates on properties used jointly as a single unit must be made on an annual basis to ensure continued eligibility for remission.

## 4.0 Remissions for Community Organisations (Schedule 1, Part 1: Land fully non-rateable)

### 4.1 Introduction

Schedule 1, Part 1 of the LGRA defines land categorised as non-rateable for the purposes of the LGRA.

Council recognises that Schedule 1, Part 1 of the LGRA limits the authority to set, assess, and collect rates on certain land. However non-rateable properties are liable for Targeted Rates assessed for the provision of services as contained within the Funding Impact Statement.

The LGRA provides in Schedule 1, Part 1 that the land defined in the following clauses is fully non-rateable:

- (4) *Land used by a local authority-*
  - (c) *for a public hall, library, athenaeum, museum, art gallery, or other similar institution.*

- (6) *Land owned or used by, and for the purposes of, -*
- (b) *an education establishment defined as-*
- (iv) *an early childhood centre*
- (9) *Land used solely or principally-*
- (a) *as a place of religious worship*
- (12) *Land that is set apart under s338 of Te Ture Whenua Maori Act 1993 and-*
- (a) *that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares*

Council wishes to limit the liability for Targeted Rates for some properties classified under Schedule 1, Part 1 of the LGRA.

Council also wishes to remit rates on rateable land where the land use is similar to the land uses defined in Schedule 1, Part 1 but which fall outside of the uses defined in the schedule.

This Policy sets out the remissions available to Waitomo arts and heritage groups, pre-schools, marae and churches. This Policy clarifies liability for groups listed under Schedule 1, Part 1, Sections (4) (6) (9) and (12)).

#### **4.2 Objectives of the Policy**

- To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- To support the development of arts and culture in the Waitomo District.
- To clarify liability for marae, churches and pre-schools' service charges.

#### **4.3 Conditions and Criteria**

- (a) Community halls, art galleries and museums receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage, solid waste collection services and solid waste management services. Any Community halls, art galleries or museums opting for a private solid waste collection arrangement will not pay the solid waste collection rate, and would not receive a collection service. Community halls are defined as those halls and community centres located on Council administered land, and those privately owned community halls recognised as fulfilling the same primary function as public halls.
- (b) Pre-schools, marae and churches receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services and solid waste management services. Any Pre-school, marae or church opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.

- (c) Not for Profit organisations, which exist exclusively or principally for the provision of emergency services, receive a rates remission of 100% of the assessed rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage, solid waste disposal, solid waste collection services and solid waste management services. Any organisations, opting for a private solid waste collection arrangement will not pay the solid waste collection rates, and would not receive a collection service.
- (d) The policy does not apply to organisations operated for the purposes of profit or gain. Nor will it apply to groups and organisations who engage in community services as a secondary purpose only.
- (e) Organisations making application should include the following documents in support of their application:
- o Statement of objectives
  - o Full financial accounts
  - o Information of activities and programmes
  - o Details of membership
- (f) Community Organisations that have not previously received a remission must complete the full application form for rate remission for the current rating year. This form must be received by Council by 30 April.
- (g) To ensure their continued eligibility, Council will annually provide Community Organisations that have previously received rates remission with a statutory declaration that confirms the land-use remains eligible for remissions. That declaration must be completed and returned to the Council prior to 30 June of each year in order to qualify for remission of rates in the subsequent year.

Completion of this annual declaration removes the need for Community Organisations to make repeated annual rate remission applications. A completed declaration MUST be received before a rates remission can be considered.

A schedule of these Clubs, Societies and Organisations will be maintained and advised annually to Council.

- (g) The following Community Organisations are included in this policy on the basis that they are 'not-for-profit' and/or charitable organisations operating within the District for the benefit of the wider community:
- Te Kuiti Lyceum Club
  - Te Kuiti Music Theatre
  - Piopio Senior Citizens Club
  - Piopio Scouts
  - Te Kuiti Historical Society
  - Te Kuiti Plunket

Council retains discretion as to whether to grant a remission in any particular case.



## 5.0 Remission for Organisations providing Care for the Elderly

### 5.1 Introduction

Council wishes to support community-based organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.

### 5.2 Objectives of the Policy

5.2.1 To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.

5.2.2 To support Council's commitment for Waitomo to be a district which:

- values its older people;
- promotes their meaningful contribution to the community; and
- facilitates a positive ageing experience for all.

5.2.3 To recognise the ageing population of New Zealand and this District, Council aims to facilitate and support the provision of a range of accessible, safe and affordable housing for the elderly.

### 5.3 Conditions and Criteria

5.3.1 Organisations that demonstrate compliance with the following criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection and Disposal Services. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

This remission arrangement is available on application on an annual basis by qualifying organisations which:

- (a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group; and
- (b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of *'everyday living assistance'* to the Elderly who are fully dependant on other people to assist them with everyday life (e.g. to cook, clean, shower, etc); and/or
- (c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the

requisite number of trained nurses as per national and DHB health standards.

#### **5.4 Piopio Retirement Trust (Inc)**

5.4.1 In recognition of the unique situation that exists with the Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and for in the future, annual rate remissions as detailed below be approved:

- (a) A single pumped tank will be located at the low point near the entrance to the Village, including connection to the main sewer.
- (b) The Piopio Retirement Village will receive an annual rates remission of nine service charges for Sewerage and 50% of nine service charges for Solid Waste Collection, Solid Waste Management and Water.
- (c) An annual declaration is required from the Piopio Retirement Village confirming that the status of the Trust has not changed.
- (d) Council retains the right to review and/or withdraw its support to the Piopio Retirement Village at any time should circumstances change.
- (e) The annual remission for the Piopio Retirement Village will form part of Council's total annual rates remission budget and it will be separately funded by way of a TUAC levied on all rateable units situated within the Piopio Township Sewerage Network and the Piopio Wider Benefit Rating Area.

## **6.0 Remissions for land owned by Clubs and Societies (Schedule 1, Part 2 of the Local Government Rating Act 2002 Land 50% non-rateable)**

### **6.1 Introduction**

This Policy provides remissions of rates to sport clubs and societies.

Section 8 and Schedule 1, Part 2 of the LGRA provide that certain land used or owned by a society, or an association of persons must not be assessed for rates at a value of more than 50% of the rates that would otherwise have been assessed under Council's RFP and in the Funding Impact Statement (FIS).

This land is known as 50% non-rateable.

The land for which assessed rates must not exceed 50% includes:

- Land owned or used by Agricultural and Pastoral Societies as a showground or place of meeting, and
- Land used or owned by sport clubs.
- Land used or owned for the purpose of any branch of the arts

Note: 50% non-rateable land is rateable for Targeted Rates set under Sections 16 and 19 of the LGRA for water supply, sewage disposal, solid waste collection services and solid waste management services.

For the purposes of this part of this Policy, those Targeted Rates are described as Service Charges.

Council seeks to remit Service Charges set for the purpose of funding water supply, sewage disposal, solid waste collection services and solid waste management services, as defined in the RFP and in the FIS. That remission arrangement is made for land used or owned by certain societies and sports clubs.

Note: This remission arrangement does not extend to all land defined as 50% rateable under Schedule 1, Part 2, LGRA. That land remains liable for the payment of service charges as defined in the RFP and in the FIS.

The LGRA provides:

*Land 50% non-rateable (Schedule 1 Part 2):*

- (2) *Land owned or used by a society or association of persons (whether incorporated or not) for games or sport, except galloping races, harness races, or greyhound races.*

*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 of Liquor Act 1989 is for the time being in force.*

*Rate liability on 50% non-rateable land (section 8):*

- (2) *Rates assessed for the land described in Part 2 of Schedule 1 must not exceed 50% of the rates that would otherwise have been assessed if the land were not described in that schedule.*

## **6.2 Objectives of the Policy**

Council recognises the value of encouraging participation in active and passive recreation for the well-being of its communities. This Policy aims to support the development of sport and physical recreation in the Waitomo District by providing rates remissions for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA.

## **6.3 Conditions and Criteria**

The following policy applies to sport and recreation clubs located on either Council owned or privately owned or administered land.

- (a) Sport and recreation groups receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage, solid waste disposal and solid waste collection services and solid waste management services. Any Club or Association opting for a private

solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.

- (b) This remission arrangement is available on application by qualifying societies and organisations who:
- 1 Are groups identified by Schedule I Part 1(4b) and Part 2(2) of the LGRA (2002) and who:
    - (i) Demonstrate that their primary function is for the purpose of sport or physical recreation, and
    - (ii) Are non-profit organisations, not providing recreation or fitness services for commercial profit, and
    - (iii) Are able to demonstrate that they are currently operative, and
    - (iv) The primary use of their facility for which they are seeking remissions is for the purpose of that organisation's sport or physical recreation activity, and
    - (v) Can demonstrate that their activities benefit or are available to the entire community.
- (c) Clubs or Societies that have not previously received a remission must complete the full application form for rate remission for the current rating year. This form must be received by Council by 30 April.
- (d) To ensure their continued eligibility, Council will annually provide sport and recreation clubs that have previously received rates remission with a statutory declaration that confirms the land-use remains eligible for remissions. That declaration must be completed and returned to the Council prior to 30 June of each year in order to qualify for remission of rates in the subsequent year.
- Completion of this annual declaration removes the need for sport and recreation clubs to make repeated annual rate remission applications. A completed declaration **MUST** be received before a rates remission can be considered.
- (e) A schedule of all organisations receiving remissions will be maintained annually by Council.

## **7.0 Remissions of Rates for Council Properties**

### **7.1 Introduction**

This section of the Policy is included for the sake of transparency. The LGRA provides that certain Council land is non-rateable. This Policy extends that non-rateable status to include any Council property which does not fall within the category of non-rateable land, but never the less the land held by Council has

no current operational use that can be attributed for the day to day delivery of a service to the communities of Waitomo District.

The LGRA defines non-rateable Council land (Schedule 1, Part 1, Section 4 LGRA) as:

- (4) *Land used by a local authority-*
- (a) *for a public garden, reserve or children's playground:*
  - (c) *for a public hall, library, athenaeum, museum, art gallery or other similar institution:*
  - (d) *for public baths, swimming baths, bathhouses, or sanitary conveniences*

## **7.2 Objectives of the Policy**

To avoid the need to set, assess and collect rates funding from the District community to pay rates on Council property that is for the time-being not used for any operational purpose.

## **7.3 Conditions and Criteria**

The Council has delegated authority to the Chief Executive to remit rates set, assessed and levied on land owned or occupied by the Council where the Chief Executive is satisfied that no operational use can be attributed to that land.

# **8.0 Remission of Rates on Maori Freehold Land**

## **8.1 Introduction**

The LGA provides that Council must adopt under Section 102(2)(e) a policy on the remission and postponement of rates set, assessed and levied on Maori freehold land.

Section 108 (3) of the LGA provides that any such policy places no obligation on Council to provide for the remission of, or postponement of the requirement to pay, rates on Maori freehold land.

Council wishes to provide for a fair and equitable rating system, recognising that some Maori owned freehold land has particular conditions, features, ownership structures, or other circumstances.

Council wishes to support and promote sustainable growth and development within key sectors of the local economy. In addition all of the community have a stake in the District's open spaces. Council recognises Tangata Whenua aspirations to define, preserve and maintain their traditional spiritual, cultural, social, and economic links with Ancestral Lands, waterways, places of habitation, Waahi Tapu and other Taonga.

The Council is of the view that Waitomo District community outcomes are improved if:

- Owners or Trustees of Maori freehold land benefit from better and appropriate use of undeveloped land, through providing a clear policy on the liability of the land for the payment of rates.

- Council and the Waitomo District community benefit through the efficient collection of rates where they are deemed to be payable.

## 8.2 Objectives

The remission of rates on Maori freehold land pursuant to Section 108, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Maori Act, recognises that:

- (a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- (b) Some freehold Maori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- (c) Physical access to some Maori freehold land is not available or is not practicable.
- (d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- (e) A remission of rates should normally apply to those portions of land not occupied, and/or undeveloped, except for rating units that comply with 8.4.1, PART B (1), Category A in this policy (below).
- (f) Assessing rates against certain Maori freehold land might limit or restrict the development of an economic use of the land.

The Local Government (Rating) Act 2002 (LGRA) provides:

- *Maori freehold land is defined by the LGRA 2002 as “land whose beneficial ownership has been determined by the Maori Land Court by freehold order”. Only rateable land that is the subject of such an order may qualify for remission under this policy.*
- *Maori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.*

The Local Government Act 2002 provides:

- *Sections 102 (2)(e) and 108 and Schedule 11 of the LGA sets out the requirements Council must consider in adopting any policy on the remission and postponement of rates on Maori freehold land.*

Te Ture Whenua Maori Act 1993 states as its purposes:

- (1) *It is the intention of Parliament that the provisions of this Act shall be interpreted in a manner that best furthers the principles set out in the Preamble to this Act:*

*Preamble principles:*

- *to recognise that land is a taonga tuku iho (of special significance) to Maori people,*
- *to promote the retention of that land in the hands of its owners, their whanau, and their hapu,*

- *to protect waahi tapu,*
- *to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu,*
- *to maintain a Court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles:*

Te Tiriti o Waitangi (Treaty of Waitangi):

- *Shall be taken into account under the LGA and the Resource Management Act 1991.*

### 8.3 **Interpretation of Terms**

| <b>Term</b>                    | <b>Interpretation</b>   |
|--------------------------------|---|
| Hapu:                          | Whanau groups descended from their own hereditary ancestor.   |
| Maori customary land:          | Land held under the customs and usages of the Maori people, the title to which has not been investigated by the Maori Land Court  |
| Maori freehold land:           | Land whose beneficial ownership has been determined by the Maori Land Court by freehold order.  |
| Taonga tuku iho:               | Legacy, treasure  |
| Unoccupied or Undeveloped Land | Land will be defined as unoccupied or undeveloped unless there is a person, whether with a beneficial interest in the land or not, who, alone or with others, carries out any of the following activities on the land: (a) leases the land; and/or (b) does any of the following things on the land, with the intention of making a profit or for any other benefit: resides on the land; de-pastures or maintains livestock on the land; stores anything on the land, or uses the land in any other way. |
| Waahi tapu:                    | Means land set apart under Section 338(1) (b) of the Te Ture Whenua Maori Act 1993 (a place of special significance according to the meaning, custom, obligation and conditions to Maori).  |
| Whanau:                        | Extended family in which a person is born and socialised.   |

### 8.4 **Conditions and Criteria**

8.4.1 Other than Maori freehold land that may from time to time be exempted by an Order in Council (as provided for in Section 116 LGRA 2002), this policy does not provide for permanent remission or postponement of rates on all other Maori freehold land recognising the potential for changes in circumstance and land use.

**(N.B.** Council will pursue the identification of Maori freehold land that would be eligible for rates exemption and all such properties, once identified and

confirmed, will be removed from the rating database in terms of s.116 [Exemption of Maori freehold land from rates] LGRA 2002).

**Part A: Council Discretion**

- (1) Maori freehold land is liable for rates in the same manner as if it were general land and any rates set, assessed and levied will be collected to the extent authorised by and practicable under legislation.
- (2) Where a remission of rates is made the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission.

(Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission).

- (3) Council's valuation service provider will provide three yearly land use reports to coincide with the three yearly revaluation cycle. These reports will be used to monitor changes in land use and to determine any eligibility for rates remission under this policy.
- (4) Council will monitor, on an ongoing basis the use of any Maori freehold land enjoying a rate remissions under this policy. If, in the Council's opinion, the underlying status of the land has changed and income is being generated from the land, Council will review the land's eligibility for rates remissions.
- (5) Council staff may process applications on behalf of owners of undeveloped and unoccupied Maori Freehold Land, (meaning land that is unoccupied and where no income is derived from the use of that land) after making reasonable enquiry into ownership of such properties. Decisions on these remissions are to be made directly by the Chief Executive on the recommendation of officers and may include rate remissions on qualifying Maori freehold land for current year rates and rates arrears.

**Part B: Maori Freehold Land Rates Remission Register**

- (1) Council will maintain a register titled the Maori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of two category lists, which are summarised as:

**Category A: Maori Freehold Land – General Remissions List**

- For the purpose of recording remissions on unoccupied or unproductive land that achieves objectives (a), (b), (c), (d) and (e), as shown in 8.2 (above).
- 100% of all rates set on these properties; except Targeted Rates set for water supplies, sewage disposal or solid waste collection will be remitted.
- Where there are no services provided to the property and/or it is uneconomic to pursue rates, all rates will be remitted.



**Category B: Maori Freehold Land - Economic Use and Development Remissions List**

- For the purpose of recording remissions on potentially productive land that achieves objective (f), as shown in 8.2 (above)
- The level of rate liability on land recorded on this list will be subject to the criteria and calculations in PART D of this Policy.

**Part C: Category A: Maori Freehold Land - General Remissions List**

**(1) Eligibility**

The following land use categories will be considered for remission of rates:

- (a) Unoccupied or undeveloped Maori freehold land (meaning land that is unoccupied and where no income is derived from the use of that land):
  - (i) That is better set aside and protected from use because:
    - of its special cultural significance and unique natural features, or
    - to protect the indigenous flora and fauna under a formal protection arrangement; and/or
  - (ii) Has no legal or practicable road access available to the land or is inaccessible.

**(2) Criteria**

An annual application for a rate remission under Category A: Maori Land General Remissions List must be made prior to commencement of the rating year and no later than 30 April in each year. The application must be made on the prescribed form. That application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application. Other material that Council will require is outlined under each of the following land-use sections.

- (a) Documentation that the land in question has been determined to be Maori freehold land by the Maori Land Court by way of freehold order.
- (b) A copy of the Certificate of Title if available.
- (c) An identified owner, agent of owner, or occupier to be recorded on the rating records pursuant to Part 4 of the Local Government (Rating) Act 2002.
- (d) That identified owner, agent of owner or occupier must provide Council with evidence that he or she has full control over the property.

- (e) Details of the property size and use.
- (f) Aerial photographs if available.
- (g) A description of the intended use of the land, and a statement as to how the objectives defined under this Policy will be achieved by the granting of rates remission.
- (h) Other documentation that Council may require to make a decision.

**(3) Unproductive and Unoccupied Land Blocks**

The following provision shall apply:

- (a) Where a property is unproductive (assessed as having no income derived from the land) and unoccupied, including land that is better set aside for non-use because of its natural features and cultural significance and/or is inaccessible, shall be placed on the Category A: Maori Land General Remissions List.

**(4) Dwellings on Maori Freehold Land**

The following provisions shall apply:

- (a) Where there is one or more dwelling on the land, Council may establish and identify separately used or inhabited parts of the rating unit:
  - That separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area undeveloped and uneconomic, with the written consent of the Trustee or Occupier.
- (b) Rates set assessed and levied on the separately used or inhabited portion of the property will be payable, shall remain paid and in all other respects comply with the provisions of this policy.

**(5) Indigenous Flora and Fauna**

Indigenous Vegetation lots located wholly or partially on Maori freehold land shall be recorded on the "Maori Land Indigenous Vegetation Register". Each identified indigenous vegetation lot shall be checked every 3 years to verify the land use has remained unchanged.

- (a) Land considered under this policy is subject to the list by one or more of the following criteria being met. The land is unoccupied and:
  1. A traditional and important food source for Tangata Whenua.

2. A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua.
  3. Includes important tribal landmarks significant to Tangata Whenua.
  4. Important water catchment system to Tangata Whenua for sustaining physical and spiritual values.
- (b) Council will also take into consideration whether the land:
1. Has road access and/or access to other services.
  2. Contains indigenous forest of high ecological value.
  3. Is contiguous with forest reserves or National/Forest Parks
  4. Is complementary with Marae Reserve Areas.
  5. Contains remnants of interspersed indigenous vegetation that provide ecological value.
  6. Offers significant or assessable benefits and protection of developed lower lying land and/or protection for the investment in public roads.
  7. Complements the objectives of and quality of water achieved within formal established water catchment areas.
  8. Enhances and complements the objectives and quality of formal established wildlife areas.
- (c) Where part of the land is deemed to be in indigenous vegetation, the following information must be provided:
1. Location and calculation of the area of the land in question shall be provided.
  2. Photographs and valuation data shall be provided where available.

## **(6) Other Property**

Maori freehold land where no body corporate has been constituted under Part XIII of the Te Ture Whenua Maori Act 1993 has been established to administer such land and/or the

whereabouts of such owner/s is unknown may be considered for Category A remissions at Council's discretion.

**Part D: Category B: Maori Freehold Land - Economic Use and Development Remissions List**

**(1) Objectives and Eligibility**

The objective for Category B: Maori Land - Economic Use and Development Remissions is to provide an incentive to assist the conversion of otherwise undeveloped, unoccupied Maori freehold land, to an economic use through a progressive stepped application of a full liability for the payment of rates, over a five year period where:

- (a) There is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council will enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.

**(2) Extent of Remissions**

- (a) No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste services
- (b) All applications for rates remissions toward economic development will be remitted on satisfaction of the application criteria outlined in clause Part C (2) and Part D (4) of this Policy.

**(3) Calculation of Liability**

- (a) At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented according to the following schedule:

|        |   |
|--------|---|
| Year 1 | Not less than 20% payable for that year |
| Year 2 | Not less than 40% payable for that year |
| Year 3 | Not less than 60% payable for that year |
| Year 4 | Not less than 80% payable for that year |
| Year 5 | 100% payable for that year.             |

**(4) Criteria**

The following additional supporting material may be required to make annual application for remissions under B: Maori Land - Economic Use and Development Remissions prior to commencement of the rating year.

- (a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline prepared by a suitable

person holding authority over the land and responsible for the planned use.

- (b) Any other documentation that the Council may require to make an assessment.

## 8.5 Appeals

- 8.5.1 Appeals relating to decisions taken on the eligibility of Maori freehold land for rates remissions will follow the process outlined under Section 2.0 of this Policy – Delegation to Operate, Application Process and Review of Decisions.

## 9.0 Remission of Penalties

### 9.1 Introduction

This Policy outlines Council's process and criteria for the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the Local Government (Rating) Act 2002. Penalties are incurred for late or non-payment of rates in accordance with the amount set in Council's Funding Impact Statement.

### 9.2 Objective of the Policy

To disclose the circumstances under which Council will consider remitting penalty payments for late or non-payment of rates.

### 9.3 Policy and Criteria

Remissions for late or non-payment of rates will be considered on the following grounds:

| <b>Circumstance</b>          | <b>Policy and Criteria</b>   | <b>Delegation</b>  |
|------------------------------|--|--|
| Extenuating circumstances    | Remission of a penalty incurred on an instalment will be considered in the following circumstances: <ul style="list-style-type: none"> <li>• The ratepayer has a good payment history.</li> <li>• Extenuating personal circumstances such as family illness, death or other tragedy.</li> <li>• In circumstances considered just and equitable.</li> <li>• Where there is an error made on the part of Council.</li> </ul> | Manager - Customer Services or Group Manager Customer Services |
| Approved Payment Arrangement | Penalties will not be levied where an Approved Payment Arrangement of a minimum of the annual rate x1.5 has been made.   | Sub-Committee (CEO & Group Manager-Corporate Services)         |
|                              | Penalties will not be levied where the remission of all or part of additional charges already levied, or yet to be incurred, will assist in resolving a long term debt situation.  | Sub-Committee (CEO & Group Manager-Corporate Services)         |

| <b>Circumstance</b>                  | <b>Policy and Criteria</b>  | <b>Delegation</b>  |
|--------------------------------------|---|--|
| Change of ownership                  | Remission of a penalty incurred on an instalment will be made where a property changes ownership, but the rates assessment and invoice has been sent to the previous owner. | Manager - Customer Services or Group Manager Customer Services |
| Abandoned Land sales or Rating sales | Any remaining arrears or penalties following sale of abandoned land, or rating sale, will be written off to ensure that the new owner begins with a nil balance.            | Sub-Committee (CEO & Group Manager-Corporate Services)         |

- 9.7 All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

## **10.0 Remission of Rates for New Residential Subdivisions**

### **10.1 Introduction**

Council wishes to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. The Policy provides for the remission of uniform charges for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.

### **10.2 Objective of the Policy**

- To provide a one off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.
- To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s)

### **10.3 Conditions and Criteria**

1. This Policy will apply to land that:
  - (a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
  - (b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.
2. A Remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.

3. The Remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

## **11.0 Remission of Rates in Cases of Financial Hardship**

### **11.1 Introduction**

Where an application for rates relief due to financial hardship is received, Council may remit all or part of rates relating to a rating unit.

Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist.

Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.

### **11.2 Objective**

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

### **11.4 Conditions and Criteria**

- Preference will be given to rating units used solely for residential purposes (as defined by Council) when consideration is made for rates remission in cases of financial hardship.
- A ratepayer making an application must be the registered owner and occupier and have owned for not less than 5 years the property in respect of which rates relief is sought.
- A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, 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 making the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- Council will consider, on a case by case basis, applications received that meet the criteria described in the first six paragraphs under this Policy.
- An application for remission on the grounds of financial hardship can be lodged in any year that such hardship exists.

- It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to financial hardship.
- The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.
- The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.