



COUNCIL POLICY

POLICY TITLE: RATES REMISSION

Minute Ref: M18/56

Date of Adoption 28 June 2018

1. POLICY OBJECTIVES

- To enable Council to acknowledge the special circumstances of particular ratepayers.
- To provide targeted financial relief to community organisations.
- Provide relief to ratepayers who have excessive water rates due to a leak.

2. PRINCIPLES

The overarching principles identified in the Revenue and Financing Policy apply.

3. DEFINITIONS

General rate is a rate that the local authority sets for the general purposes of the local authority.

Uniform Annual General Charge (UAGC) is a fixed dollar rate set on each separately used or inhabited part of a rating unit for the general purposes of the local authority.

Wastewater rate is a fixed dollar targeted rate set on the number of water closets and urinals within the rating unit.

Ratepayer is the person or persons identified in Council's rating information database as the person liable for rates – generally that person is the owner of the rating unit.

Rates penalty is an additional rates charge made when payment is not received by the due date specified.

Rating unit is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criterion is the existence of a separate certificate of title.

Remission means the requirement to pay the rate for a particular financial year is forgiven in whole or in part.

Residential means a rating unit whose primary use is residential, rural, education, recreation, leisure or conservation.

Commercial means a rating unit whose primary use is commercial, industrial, port, transportation or utilities network, and includes any land not in the residential category.

4. POLICY STATEMENT

4.1 General Consideration

When considering any remission Council will take into account the circumstances at the time the rates are set.

4.2 Remission of Uniform Annual General Charge (UAGC)

Council may remit on application the additional UAGC for a separately used or inhabited part of a rating unit where a person is unable to fully utilise the unit's facilities e.g. due to disability and/or age.

Utilities owned by Tauranga City Council will receive 100% remission of Uniform Annual General Charges (as such rates would otherwise be indirectly recovered from ratepayers).

4.3 Remission of General Rates

Utilities owned by Tauranga City Council will receive 100% remission of General rates (as such rates would otherwise be indirectly recovered from ratepayers).

4.4 Rates Penalty

In order to provide relief of penalties incurred on unpaid rates where specific events or circumstances have occurred, Council will remit penalties on rates where any of the following apply and a remission application has been received:

- An agreement has been reached for the ratepayer to make payment within two weeks of the penalty being issued or make regular automatic payments to settle all arrears and current rates within the current rating year, and the ratepayer has a good payment history (being three clear years' history without penalty).
- A bereavement, serious illness or relationship breakdown in the ratepayer's family occurred around the time the instalment was due.
- The penalty is less than \$10.00 for any rates excluding water rates or \$2.00 for water rates.
- An administrative error.

The Team Leader: Revenue Services may remit rates penalties for reasons other than those specified up to \$1,000 on any one rating unit. Applications to remit penalties on any one rating unit over \$1,000 for reasons other than those specified above are to be decided upon by the Manager: Revenue.

4.5 Community and Not-for-Profit Organisations

In order to provide relief to applicable community and not-for-profit organisations, who deliver social benefits to the community where neither government nor business is best or appropriately placed to do so Council will allow the following:

Land used for a place of religious worship, Marae or not-for-profit early childhood centres with a non-rateable status under the Local Government (Rating) Act 2002 may be remitted 66.66% of the Wastewater rate.

Land used for a place of religious worship or Marae with a non-rateable status under the Local Government (Rating) Act 2002 may receive full remission of the water base rate over the minimum base rate where there is a water meter connection greater than 20 millimetres.

Land used primarily for the promotion of sport, art, health, recreation or education and not used for private pecuniary profit may receive a 100% remission on General rates. These organisations must provide evidence of a significant portion of local community voluntary contribution to operations and funding (other than from Government Agencies).

This remission will not apply to land used for organisations who are affiliated or who could be affiliated to Clubs New Zealand Incorporated or used for horse racing.

Land designated a Maori Reservation under the Te Ture Whenua Maori Act 1993, excluding land used for permanent housing, will be granted a 100% remission on General rates.

4.6 Water Rates Attributable to Water Leaks

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

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within 14 days of being identified (an extension of 14 days may be granted if written evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council within 14 days after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission is limited to the period where the leak was identified and fixed and the last invoice. Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Manager: Revenue.

4.7 Remission for Wastewater Rates Commercial Properties

In order to provide relief to commercial ratepayers that choose to install more toilets than required by the building code, Council may partially remit the wastewater rate for commercial ratepayers where the number of toilet pans installed exceeds the number of pans required under the building code.

4.8 Remission for Wastewater Rates Schools

Land used for an educational establishment which has a non-rateable status under Schedule 1 Part 1 section 6 (a) and (b)(i) & (ii) of the Local Government (Rating) Act 2002 may be remitted 50% of the Wastewater rate for the 2016/2017 rating year.

This remission will reduce as follows:

- 50% of the Wastewater rate in the 2016/2017 rating year
- 40% of the Wastewater rate in the 2017/2018 rating year
- 30% of the Wastewater rate in the 2018/2019 rating year
- 20% of the Wastewater rate in the 2019/2020 rating year
- 10% of the Wastewater rate in the 2020/2021 rating year
- 0% of the Wastewater rate in the 2021/2022 rating year

4.9 Remission for Natural Disasters and Emergencies

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so.

Individual events causing a disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

4.10 Remission for Buildings Undergoing Earthquake Strengthening

In order to provide relief to ratepayers of commercial properties in Tauranga City that are undergoing earthquake strengthening, including rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of the general rate where it considers it fair to do so.

Applications must be received before 1 July prior to the year when the remission is to apply. If the earthquake strengthening work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

4.11 Remission for unliveable Residential Buildings undergoing remedial rebuilding

In order to provide relief to ratepayers of residential properties in Tauranga City, that are undergoing rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit rates to the extent that rates would be assessed on that land, as if it was a vacant rating unit.

Applications must be received before 1 July prior to the year when the remission is to apply. If the rebuilding work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

Applications must meet the relevant criteria as approved by the Chief Financial Officer.

4.12 Exceptions

Rates may be fully or partially remitted where the Manager: Revenue considers that the characteristics of land use, location or special circumstances warrant a remission.

5. RELEVANT DELEGATIONS

With the exceptions of decisions required to be specifically made by Council (section 4.9)) or that which is specifically delegated to the Manager: Revenue (sections 4.6 and 4.12), the Team Leader: Revenue, and all officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies, including the exercise of any Council discretion provided for in the policy, and to sign on behalf of the General Manager.

Team Leader: Revenue

Any officer who performs or exercise the same or substantially similar role or function as to the officer above, whatever the name of his or her position.

6. REFERENCES AND RELEVANT LEGISLATION

Local Government (Rating) Act 2002 (in particular sections 85 and 86)

Local Government Act 2002

Te Ture Whenua Maori Act 1993,

Lead Policy: Rating Policy