

# Rates Remission and Postponement Policies

As at 1 July 2016

## Introduction

Rates are assessed under the Local government (Rating) Act 2002. Where rates are based on value, the values assessed by Quotable Value New Zealand will apply.

The region's three district council's collect regional rates. The rating information database for each district is maintained by the relevant district council.

## Rating philosophy and objectives

The Northland Regional Council reviews its rating policies annually and has targeted and differentiated rates in order to better direct rate funding to those activities suited to either fixed and/or differentiated charges.

The Revenue and Financing Policy sets out the sources of funding applied to activities undertaken by the council. Where the council considers there to be an advantage in funding the activity separately from a general funding source, such as general rates, the council may apply targeted rates. In general terms, the council may consider applying a targeted rate to better align the rating basis to the activity to be funded or where the distribution of benefits of providing particular activities is attributable to a subset of a community. The application of targeted rates promotes equity, transparency and accountability of funding decisions.

## Rates collection and rates postponement and remission policies

### Rates collection

The Northland Regional Council's rating resolutions will be consistent with the collection agency agreement reached with all Northland territorial authorities to collect the regional rate, in order to minimise the marginal costs of collection. The dates for payment of instalments of rates shall be resolved by the Far North District Council, the Kaipara District Council and the Whāngārei District Council.

### Penalties and policies for rates relief and postponement

The rates remission and postponement policy and the policy on the application and remission of penalties of the Northland Regional Council is that of the region's three district councils who collect the rates on the council's behalf. Whilst these policies differ from council to council, it would be administratively inefficient to adopt uniform policies across the region and then require each district council to apply two sets of policies. Specific details in relation to each remission and postponement policy and application and remission of penalties can be obtained by reference to the respective district council. The intended rates relief policies for the constituent districts of the Northland region that will apply to the regional rates levied in those districts are set out in the following sections of this plan.

# FAR NORTH DISTRICT

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## Policy on the remission of rates (Policy # R06)

### **Background**

The Local Government (Rating) Act 2002 Section 85 sets out that a council may remit rates, including penalties, only if it has adopted a remission policy under Section 109 of the LGA.

The policy set out below has been prepared in accordance with the LGA. It consists of a number of policy statements each of which deal with specific rate remission requirements.

### **Definitions**

For the purposes of this policy the following definitions apply:

**Occupier** – a person, persons, organisation or business entity that is using a rating unit under a formal agreement for a term of not less than 10 years.

**Ratepayer** – under the Local Government (Rating) Act 2002, the ratepayer is either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, where the lease provides that the lessee is required to be entered into the rating information database as the ratepayer.

### **Policy statements**

Each set of policy statements deals with a different set of remission criteria.

They have all been prepared in the following format. Firstly, a brief background will explain the reason for the policy. This will be followed by a description of the objectives to be met by the policy, then a statement of the conditions and criteria that will be used to determine applications in respect of each policy statement.

Policy statements have been developed to meet the following requirements:

- Remissions of penalties (Policy R04/01)
- Remissions of additional penalties (Policy R04/02)
- Remission of rates on land owned or used by charitable or community organisations (Policy R04/04)
- Remission of charges on properties only partly within district (Policy # R04/05)
- Remission of charges on contiguous properties (Policy 04/06)
- Remission of postponed rates (Policy R04/09)
- Remission of rates on land subject to protection for outstanding landscape, cultural, historic or ecological purposes (Policy R04/11).

### **Applications for remissions in excess of those provided for in the policies set out below.**

Any application for a remission of rates in excess of that allowed under these policies must be made in writing to council. It must set out in detail the reasons why the application is being made outside of the policies established under the Local Government (Rating) Act 2002.

Council is under no obligation to approve any applications that do not comply with the established policies and council's decision on the matter is final.

## Remissions of penalties (Policy # R04/01)

### **Background**

From time to time council receives requests for remission of rates' penalties on the grounds of financial hardship. Council recognises the economic hardship faced by some ratepayers and has therefore adopted criteria for considering requests for remission of rates penalties.

### **Policy objectives**

To ensure the fair and equitable collection of rates from all sectors of the community.

To provide the ability to remit penalties on rates where reasonable grounds exist.

### **Conditions and criteria**

The penalties on rates may be remitted upon written application from the ratepayer subject to the following conditions:

1. There is evidence of a previous good record of payment, including all instalments of rates in the past two years paid on time, a reasonable reason for remission has been supplied and an honest attempt has been made to have payment delivered on time; or
2. The rating unit has a new owner who has been given insufficient notice of invoice due date; or
3. If a request is made on compassionate grounds and the granting of a remission would extend council's "goodwill"; or
4. The ratepayer has entered into a Rates Easy Pay agreement and has maintained the arrangement to clear their outstanding rates; and<sup>1</sup>
5. If there is no cost to council i.e. where, as an action of council's revenue recovery process, the remission of penalty results in immediate full payment of arrears.

## Remissions of additional penalties (Policy # R04/02)

### **Background**

Council has resolved to make additional penalties of 10% on all rates arrears outstanding at the commencement of each new financial year and at six-monthly intervals thereafter.

These additional charges may act as a disincentive to ratepayers agreeing to make formal arrangements for payment of arrears particularly when they are on limited income and/or facing business downturn.

This policy statement provides that where a ratepayer enters into a **Rates Easy Pay** agreement to pay outstanding arrears over an agreed period of time, no additional penalties will be charged to the ratepayer subject to their keeping to the arrangement.

### **Policy objectives**

The fair and equitable collection of rates from all sectors of the community.

To improve the payment of rates by encouraging ratepayers to enter into formal agreements for the payment of rate arrears.

### **Conditions and criteria**

The additional penalties on a rating unit may be remitted subject to the following conditions:

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<sup>1</sup> Clarifying that successfully completing a Rates Easy Pay arrangement will result in a remission of penalties.

1. The ratepayer/s must enter into a Rates Easy Pay agreement to pay the outstanding arrears on the rate account over a period to be negotiated with council, but of not more than two years.
2. The current rates must be paid not later than the penalty date of each instalment.
3. In the event that the agreement is not maintained, council reserves the right to levy future additional charges.

## **Remission of rates on land owned or used by charitable or community organisations (Policy # R04/04)**

### ***Background***

From time to time council receives applications from charitable or community organisations which are seeking rating relief for land that they own or occupy. This policy statement addresses these remissions and refers to particular organisations or classes of organisations that operate for the community good.<sup>2</sup>

Any remission of rates under this policy statement will not apply to rates for the supply of services such as water or sewerage, etc.

It is of note that the Local Government (Rating) Act 2002 provides for a 100% non-rateability of land owned or used by certain categories of charitable and community organisations. In addition, a 50% non-rateability is provided in respect of land owned or used by organisations for sports or any branch of the arts, except where these organisations operate a club licence under the Sale of Liquor Act.

For more details on the rateability of this type of land refer to the Local Government (Rating) Act 2002, first schedule, Parts 1 and 2.

### ***Policy objectives***

To provide a fair and equitable collection of rates from all sectors of the community.

To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.

### ***Conditions and criteria***

Council may agree to remit up to 100% of the rates payable on land owned or used by charitable or community organisations subject to the following conditions:

1. All applications must be made in writing and provide such financial and other information as council may require from time to time.
2. A 100% remission of rates will be granted on Māori reserves created under the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).
3. Land owned or used by the following organisations will receive a 50% remission of rates other than service charges:
  - a. Royal NZ Plunket Society
  - b. Youth Hostel Association of New Zealand, Inc.
  - c. Order of St John
  - d. New Zealand Scouts Association.

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<sup>2</sup> Simplified wording from previous policy

4. From time to time council may decide that the following land may receive a 50% remission of rates other than targeted rates for water, sewerage or other utilities and where appropriate such land will be assessed rates on the general differential:
  - a. Land owned or used by such other society or association of persons, whether incorporated or not, whose object or principal object is to promote any purpose of recreation, health, education, or instruction for the benefit of residents or any group or groups of residents of the district.
  - b. Land that is owned or used by, or in trust of any society or association or persons, to run a camping ground for the purpose of recreation, health, education or instruction, for the benefit of residents of the district.
5. Land owned or used by, or in trust for, any society or association of persons, whether incorporated or not, which is used principally to provide free family counselling, assessment and counselling for people with alcohol and drug-related problems may receive up to a 100% remission of rates, other than targeted rates for water sewerage or other utilities and where appropriate such land will be assessed rates on the general differential.
6. No remission will be given on any land in respect of which a licence under the Sale of Liquor Act is held.
7. No remission will be given on any land where any member of the society, association, administering body, or governing body receives any private pecuniary profit from any of the activities carried out on the land.
8. Land that is used for an activity which is commercial in nature, for example an “op-shop”, will not qualify for rating relief under this policy<sup>3</sup>.

## **Remission of charges on properties only partly within district (Policy # R04/05)**

### ***Background***

There are a small number of rating units that are on the boundary between the Far North and Whāngārei districts that incur a uniform annual charge from both councils.

The previous legislation provided that in these circumstances a pro-rata uniform annual general charge may be assessed in respect of the portion of the rating unit that falls within the Far North district.

This provision is not repeated in the new legislation therefore this policy statement has been prepared to achieve a similar effect.

For example, this policy provides that if a property is 75% within the Far North district and 25% in the Whāngārei district, it will only bear 75% of the Far North uniform annual general charge.

### ***Policy objectives***

The fair and equitable rating of all sectors of the community.

To provide a fair method of assessing the charges on rating units that are partly within the boundaries of the Far North district.

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1. <sup>3</sup> There have been a number of applications for rating relief from charitable and not-for-profit organisations for shops that they operate as fund-raising ventures. While council may agree to grant rating relief on the administrative buildings and meeting rooms of these organisations, it does not believe that this should apply to their commercial operations. This is because it could potentially create an inequity when compared to the private sector.

### ***Policy statements***

This policy will only apply to rating units that are situated across the boundaries of the Far North district and an adjoining district.

### ***Conditions and criteria***

Where any property is situated only partially within the district any uniform annual general charge in respect of that rating unit, will be reduced to such proportion of the whole charge as the area of that part of the property which is situated within the Far North district bears to the total area of the property.

## **Remission of charges on contiguous properties (Policy # R04/06)**

### ***Background***

This policy statement has been developed to provide for the remission of rates in situations where two or more uniform annual general charges, or other selected targeted charges, are assessed on contiguous, separately owned rating units which are being used jointly as a single property or business. In addition, the policy also provides for a limited remission of uniform charges and targeted rates to the original developer of multi-lot subdivisions, multi-unit commercial developments or multi-apartment residential complexes for the periods described below.

The circumstances where an application for a remission of charges will be considered are:

- A residential dwelling and associated garden and ancillary buildings where the property occupies a maximum of two rating units and those rating units are used jointly as a single property.
- A farm that consists of a number of separate rating units that are either contiguous or are located within a two kilometre radius.
- A commercial, retail, or industrial business that operates from more than one rating unit where those rating units are contiguous and are used jointly as a single property.
- A subdivision for the period that the individual lots continue to be in the ownership of the original developer. This provision has a maximum term of three years in respect of all charges plus a further term of three years in respect of charges excluding those that are set to fund utility services such as stormwater, wastewater and water supplies.
- A commercial development consisting of two or more separate rating units, for the period that the individual units remain vacant and continued to be in the ownership of the original developer. This provision has a maximum term of three years in respect of all charges, plus a further term of three years in respect of charges excluding those that are set to fund utility services such as stormwater, wastewater, and water supplies.
- A residential development consisting of two or more separate rating units, for the period that the individual units remain vacant and continued to be in the ownership of the original developer. This provision has a maximum term of three years in respect of all charges plus a further term of three years in respect of charges excluding those that are set to fund utility services such as stormwater, wastewater and water supplies.

### ***Policy objectives***

To enable council to act fairly and equitably with respect to the imposition of uniform charges on two or more separate rating units that are contiguous, separately owned and used jointly for a single residential or farming use.

To deal equitably with the imposition of uniform charges on two or more separate rating units that have resulted from a subdivision to facilitate the development of the district.

### ***Conditions and criteria***

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below:

1. The rating units must be contiguous, or in the case of a farm, must be situated within a radius of two kilometres from the primary property<sup>4</sup>.
2. The rating units must:
  - a) In the case of a residential property, be owned by the same ratepayer who uses the rating units jointly as a single residential property:
    - i. It should be noted that lifestyle properties do not comply with this policy;
    - ii. There must be some significant development that combines the properties into one. A vacant section adjoining a residential lot does not comply;
    - iii. The individual areas of the rating units concerned must not exceed the size of a typical residential lot.
  - b) In the case of a farm, be owned by the same owner, or be leased for a term of not less than 10 years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.
  - c) In the case of a subdivision, commercial or residential development, be owned by the original developer who is holding the individual rating units pending their sale or leasing to subsequent purchasers or lessees.
    - i. It should be noted that this remission is limited for a term of three years for all charges and subsequently for a further three years in respect of all charges, other than those that are set for the funding of utility services such as stormwater, wastewater and water supplies.
    - ii. It should be further noted that the remission under this clause does not extend to subsequent purchasers.
    - iii. The term of this provision will be calculated from 1 July in the year that the rates were first remitted.
3. Council may, on written application from a ratepayer of such rating units, remit any separate uniform annual general charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and council's decision on the matter is final.
5. Council may also consider reducing or cancelling any targeted charge on such rating units if it considers it to be reasonable in the circumstances to do so.
6. Council reserves the right to determine that any specific targeted charge will be excluded from this policy.

## Remission of postponed rates (Policy R04/09)

### **Background**

Council has adopted a number of policy statements which grant a postponement of rates to ratepayers under certain circumstances. A number of these contain **provisions which** allow the postponed rates to be written off, or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with. This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

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<sup>4</sup> Clarification of the 2km rule.

### ***Policy objectives***

To remit postponed rates that have reached the predetermined age or term as provided for in the rates postponement policies.

### ***Conditions and criteria***

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

## **Remission of rates on land subject to protection for outstanding landscape, cultural, historic or ecological purposes (Policy # R04/11)**

### ***Background***

The Far North District Council recognises that certain rateable land within the district, both general and Māori freehold land, is protected for outstanding landscape, cultural, heritage, or ecological purposes.

In its district plan, the Far North District Council states “Council will postpone or remit rates where an area is afforded permanent legal protection through a covenant or reserves status where Council’s Rates Remission Policy is met<sup>5</sup>, and “Where heritage resources are afforded permanent legal protection through means such as a covenant, an application may be made to Council for rates relief according to Council policy”<sup>6</sup>.

Where the land is subject to permanent protection, council will consider applications for a remission of rates on the land as set out below.

Where the protection is for a finite period, but for a term of not less than 10 years, council has introduced a policy to provide for a postponement of rates for the period that the protection is in place.

### ***Policy objectives***

To provide for the fair and equitable collection of rates from all sectors of the community.

To recognise and/or reward the efforts of land owners who have preserved for future generations, lands that have particular outstanding landscape, cultural, historic or ecological values.

### ***Policy statement***

The Far North District Council will consider remitting the rates on land that is subject to one of the protection mechanisms set out in the conditions below.

This policy statement applies to land that is subject to permanent protection under an agreed mechanism and is not used. Where any part of the area that is protected is in use, that part will not receive any rate relief.

- Where the entire rating unit is the subject of the application, the remission of rates will apply to all rates levied on the property;
- Where part of the rating unit is being used, the used and unused parts will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government

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<sup>5</sup> Clause 12.2.5.13

<sup>6</sup> Clause 12.5.5.14

Rating Act 2002. In these instances, the remission of rates will only apply to the unused part and will apply only to the land value based rates;

- It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of uniform annual general charge and other charges will be assessed against the part of the rating unit that is being used.

Any remissions on the land will be cancelled immediately in the event that the land ceases to be protected under the agreement.

### **Conditions and criteria**

Council will consider remitting the rates on the land upon written application from the ratepayer, subject to the following conditions:

1. No person must actually be using the land, or the part of land that is the subject of the application, as set out below:

For the purposes of this policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others:

- I. Leases the land; or
- II. Does one or more of the following things on the land for profit or other benefit:
  - a. Resides on the land
  - b. De-pastures or maintains livestock on the land
  - c. Stores anything on the land
  - d. Uses the land in any other way.

**Notes: Notwithstanding the above, work undertaken to preserve or enhance the features covenanted on the land, including weed control, will not impact the “unused” status of the land.**

The removal of traditional medicinal tree and plant material by iwi for personal use will not constitute actual use of the land.

2. The land must be subject to a formal protection agreement in perpetuity, as set out below and in a form acceptable to council:
  - a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
  - b. A conservation covenant under section 77 of the Reserves Act 1977; or
  - c. A declaration of protected private land under section 76 of the Reserves Act 1977; or
  - d. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
  - e. A covenant for conservation purposes under section 27 of the Conservation Act 1987; or
  - f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
  - g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).
3. The part of the land for which remission of rates is sought must only be for that area protected by a legal covenant, and must have a nil or minimal value of improvements.
4. The application must be supported by a written assessment of the outstanding landscape, historic, cultural or ecological values of the land prepared by a suitably qualified person or organisation, and a management plan detailing how the values are to be maintained, restored, and/or enhanced.
5. Council, their duly authorised officers or agents, be authorised to enter and inspect the land from time to time to confirm compliance with the criteria or to request such information as is reasonably necessary to assess the application of the policy.

6. Any remission under this policy will come in to effect on 1 July in the year following the approval of the application.

## Policy for the postponement of rates (Policy # P04)

### **Background**

The Local Government (Rating) Act 2002, Section 87, sets out that a council must postpone rates, including penalties, if it has adopted a postponement policy under section 110 of the LGA and council is satisfied that the conditions and criteria set out in the policy, are met.

The Local Government (Rating) Act 2002 provides that a postponement fee based on the cost of funds together with administrative costs can be charged to the ratepayer concerned. This fee becomes part of the rate and is added to the postponed rates.

If a postponement fee is not charged, council is required to show the cost of the postponement in their accounts as paid on behalf of the ratepayer.

Council's policy is that, unless otherwise proscribed by legislation, it will charge a postponement fee which will be added to the postponed rates.

The policy set out below has been prepared in accordance with LGA. It consists of a number of policy statements, each of which deal with specific rate postponement requirements.

### **Definitions**

For the purposes of this policy the following definitions apply:

**Occupier** – a person, persons, organisation, or business entity that is using a rating unit under a lease, license or other formal agreement for a term of not less than 10 years.

**Ratepayer** – under the Local Government (Rating) Act 2002, the ratepayer is either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, and where the lease provides that the lessee is required to be entered into the rating information database as the ratepayer.

**Landlocked** – for the purposes of this policy, the definition of landlocked land is that set out in the Property Law Act 1952: – “Landlocked” means land to which there is no reasonable access. Reasonable access includes access from the sea and practical access across adjoining land not owned by the owner of the land concerned.

**Person actually using land** – for the purposes of this policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others: –

1. Leases the land; or
2. Does one or more of the following things on the land for profit or other benefit:
  - a. Resides on the land
  - b. De-pastures or maintains livestock on the land
  - c. Stores anything on the land
  - d. Uses the land in any other way.

**Farmland postponement value** – a value attributed to land by council's valuation service provider which is based on the value of land as farmland:

1. So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
2. So as to preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value.

## **Policy statements**

Each set of policy statements deals with a different set of postponement criteria.

They have all been prepared in the following format. Firstly, a brief background will explain the reason for the policy. This is followed by a description of the objectives to be met by the policy, a statement of the grounds upon which the postponement will be terminated, and finally a statement of the conditions and criteria that will be used to determine applications in respect of each policy statement. Other matters may be included, where appropriate in particular policy statements

Policy statements have been developed to meet the following requirements:

- Postponement of rates on land subject to protection for outstanding landscape, cultural, historic, or ecological purposes, (Policy p04/01)
- Postponement of rates on unusable land (Policy P04/02)
- Postponement of rates on landlocked general title land (Policy P04/03)
- Transitional policy for the postponement of rates on farmland (Policy P06/04)
- Postponement of rates on residential land (Policy P04/05).

### **Conditions and criteria applicable to all postponement policy statements**

1. All applications must be made in writing and signed by the owner(s) or trustees of the land.
2. The owner must agree to a statutory land charge being entered on the certificate of title.
3. As provided for in the legislation, a postponement fee will be calculated added to the postponed rates.
4. The basis of calculating the postponement fee is included in each year's funding impact statement.<sup>7</sup>

In the event that a rating unit ceases to qualify for a postponement of rates but, in terms of the relevant policy statement is not required to repay any accumulated postponed rates held against the rating unit, the policy will continue to apply in respect of any fees and charges that continue to be applied pursuant to the policy.

#### **Note:**

For the sake of clarity, this provision has been included to ensure that the ratepayer is not required to commence paying any fees and charges that may be applied each year and provides that these can continue to be postponed until the later of either:

- The total postponed rates are repayable by the ratepayer, or
- The total postponed rates are remitted in accordance with the provisions of the policy.

## **Postponement of rates on land subject to protection for outstanding landscape, cultural, historic or ecological purposes (Policy # P04/01)**

### **Background**

The Far North District Council recognises that certain rateable land within the district, both general and Māori freehold land, is protected for outstanding landscape, cultural, historical or ecological purposes.

In its district plan, the Far North District Council states *“Council will postpone or remit rates where an area is afforded permanent legal protection through a covenant or reserves status where Council’s Rates Remission Policy is met<sup>8</sup> and “Where heritage resources are afforded permanent*

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<sup>7</sup> To clarify how the postponement fee will be calculated.

<sup>8</sup> Clause 12.2.5.13

*legal protection through means such as a covenant, an application may be made to Council for rates relief according to Council policy”.*<sup>9</sup>

Where the land is subject to permanent protection, council will consider applications for a remission of rates on the land as set out in the remissions policy.

Where the protection is for a finite period, but for a term of not less than 10 years, council has introduced a policy to provide for a postponement of rates for the period that the protection is in place.

This policy statement applies to land that is subject to a finite term of protection, but for a term of not less than 10 years.

This policy provides that council will postpone rates, for a period of 10 years and then will remit those rates on land which complies with the criteria set out in this policy.

This policy applies to land which is subject to protection under an agreed mechanism and is not used. Where any part of the area that is protected is in use, that part will not receive any rate relief.

Where the entire rating unit is the subject of the application, the postponement of rates will apply to all rates assessed on the property.

Where part of the rating unit is being used, the used and unused parts will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government Rating Act 2002. In these instances, the postponement of rates will only apply to the unused part and will apply only to the land value based rates.

It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of uniform annual general charge and other charges will be assessed against the part of the rating unit that is being used.

The rates postponement will cease to apply and the postponed rates will be repayable if the covenant conditions, and/or the management plan objectives are not upheld.<sup>10</sup>

### ***Policy objectives***

To provide for the fair and equitable collection of rates from all sectors of the community.

To recognise and/or reward the efforts of landowners that have preserved for future generations, lands that have particular outstanding landscape, historical, ecological, or cultural values.

### ***Conditions and criteria***

The rates on the subject land will be postponed upon written application from the ratepayer, subject to the following conditions:

1. No person must actually be using the land, or the part of land that is the subject of the application, as set out below:  
For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others: –
  - a. Leases the land; or
  - b. Does one or more of the following things on the land for profit or other benefit:
    - i. Resides on the land
    - ii. De-pastures or maintains livestock on the land
    - iii. Stores anything on the land
    - iv. Uses the land in any other way.

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<sup>9</sup> *Clause 12.5.5.14*

<sup>10</sup> Minor wording changes.

Notes:

- Notwithstanding the above, work undertaken to preserve or enhance the features covenanted on the land, including weed control, will not impact the “unused” status of the land.
  - The removal of traditional medicinal tree and plant material by tangata whenua for personal use will not constitute actual use of the land).
2. The land must be subject to a formal protection agreement, as set out below and in a form acceptable to council, for a finite period of not less than 10 years:
    - a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
    - b. A conservation covenant under section 77 of the Reserves Act 1977; or
    - c. A declaration of protected private land under section 76 of the Reserves Act 1977; or
    - d. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
    - e. A covenant for conservation purposes under section 27 of the Conservation Act 1987; or
    - f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
    - g. A Māori reservation for outstanding landscape, historic, cultural, or ecological purposes under [sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993)] (this includes covenants registered with Nga Whenua Rahui).
  3. The part of the land for which postponement of rates is sought must only be that area protected by a legal covenant, and must have a nil or minimal value of improvements.
  4. The application must be supported by a written assessment of the outstanding landscape, historic, cultural or ecological value of the land, prepared by a suitably qualified person or organisation, and a management plan detailing how the values are to be maintained, restored and/or enhanced (council may be able to assist with this process).
  5. That council, their duly authorised officers or agents, be authorised to enter and inspect the land from time to time to confirm compliance with the criteria or to request such information as is reasonably necessary to assess the compliance with the policy.
  6. Any postponement under this policy will come in to effect on 1 July in the year following the approval of the application.

***Termination and repayment of postponed rates***

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the land continues to comply with the criteria.
2. Council will not seek repayment of postponed rates where future postponement is revoked due to council changing its criteria for postponement.
3. At the conclusion of the 10-year term, the rates for the first year of the covenant period will be remitted together with all charges for that year. In subsequent years, an additional year of the postponed rates will be remitted so that at any time there is a maximum of 10 years of postponed rates held against that rate account.
4. If, at the conclusion of the 10-year term, the owner does not renew the covenant or other agreement for a further term, the postponement will cease to apply to the land in respect of future rates. Any rates that are postponed against the land at that time will not become payable unless the land ceases to comply with the criteria as set out in five below.

5. If the land ceases to comply with the criteria set out in the covenant or other agreement, due to a change in use or action by the ratepayer(s), all postponed rates that have not been otherwise remitted, will become immediately due and payable.

## **Postponement of rates on unusable land (Policy # P04/02)**

### ***Background***

From time to time, council is approached by the owners of land that has become unusable either for a long period of time, or in perpetuity, as a result of a natural calamity such as erosion, inundation etc.

These owners seek council's assistance by way of rating relief for the period that their land remains unusable as a result of the calamity.

### ***Policy objectives***

To provide rating relief to the owners of properties that have become unusable as a result of a natural calamity and where the loss of the property will result in financial hardship to the owner.

### ***Conditions and criteria***

All applications must be made in writing and signed by the owner(s) of the land.

1. The application must set out in detail the grounds for the application. This must describe the nature of the natural calamity that has caused the land to be unusable and must give an estimate of the time that it is expected that the land will remain in that state.
2. The application must outline the steps that the owner has taken or will take to return the land to a usable state, or if that is not possible, it must state why.
3. The application must be supported by a report from a registered engineer or other similarly qualified expert setting out the reasons why the land has become unusable.
4. The applicant will be required to sign an agreement that the rates will be immediately repayable if the land is made usable during the period of the postponement.
5. The owner must agree to a statutory land charge being entered on the certificate of title.
6. The maximum term for the postponement of rates will be five years. At the end of that period, if the land remains unusable a new application will be required.
7. If a second or subsequent application is approved, rates that have been postponed for a period of five years will be remitted.
8. As provided for in the legislation, a postponement fee will be added to the postponed rates.

### ***Termination and repayment of postponed rates***

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land, provided that the land continues to comply with the criteria
2. Any rates postponed and not remitted under this policy, will become payable as soon as the land becomes usable or at the end of the postponement period, unless renewed.

## **Postponement of rates on landlocked general title land policy (P04/03)**

### ***Background***

From time to time council is approached by the owners of general title land that is landlocked by either general title or Māori title freehold land.

These ratepayers claim that they cannot gain access to their land and they are not in a position to remedy this through actions under section 129B of the Property Law Act 1952.

This policy does not include any land that has access from the sea nor any land that has practical access across adjoining land.

This policy has been prepared to cover the exceptional circumstances and will only be applied after all other avenues for access have been explored by the owner.

### ***Policy objectives***

To enable council to act fairly and equitably with respect to the rating of landlocked general title land, in the same manner as has been provided for Māori freehold title land.

### ***Conditions and criteria***

1. The application must be made in writing and signed by the owner(s) of the land.
2. The land must be landlocked in the manner as defined above.
3. The application must include a statutory declaration that the land is not being actually used by any person, see definition of “person actually using land” above and that there is no practical access across adjoining land.
4. The owner must provide evidence that they have taken all steps to obtain access and must show why the provisions of section 129B of the Property Law Act is not available to them.
5. The maximum term for the postponement of rates will be five years. At the end of that period, if the land remains landlocked a new application will be required.
6. If a second or subsequent application is approved, rates that have been postponed for a period of five years will be remitted.
7. The owner must agree to advise council if the status of the land changes, if access is obtained, or if any person commences to use the land.
8. The applicant will be required to sign an agreement that the rates will be immediately repayable if the land ceases to be landlocked during the period of the postponement.
9. The owner must agree to a statutory land charge being entered on the certificate of title.
10. As provided for in the legislation, a postponement fee will be added to the postponed rates.

### ***Termination and repayment of postponed rates***

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the land continues to comply with the criteria.
2. Any rates postponed and not remitted under this policy will be immediately repayable if the land ceases to be landlocked during the period of the postponement.

## **Transitional policy for the postponement of rates on farmland (Policy # P06/04)**

### ***Background***

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to Section 22 of the Rating Valuations Act.

That section of LGA, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial, or other non-farming development.

A number of properties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides council with the ability to continue to provide rating relief to certain properties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

This transitional policy is restricted to those farms which are owner-operated, where the owner is a natural person and/or is a company where the owners live on and operate the farm as a personal business. The policy specifically excludes those farms which are held as investment properties where the owners, corporate or otherwise, live either outside the district.<sup>11</sup>

**This policy is a transitional policy which will remain in force until council so decides or until the last affected property no longer qualifies, whichever is the sooner. No further applications will be considered under this policy.**

### ***Effect of rates postponement values:***

The postponed portion of the rates for any rating period shall be the amount equal to the difference between the amount of the rates for that period calculated according to the postponement value of the rating unit and the amount of the rates that would be payable for that period if the rates were calculated on the basis of its actual value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by council in respect of the rating unit.

Any rates so postponed will, so long as the property continues to qualify for rates postponement, be remitted at the expiration of 10 years from the date at which the postponement was granted.

Each year a postponement fee will be added to the outstanding balance and will become part of the rates postponed on the rating unit pursuant to Section 88(3) of the Local Government Rating Act 2002.

### ***Policy objectives***

To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy, where council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

### ***Conditions and criteria***

1. This policy provision only applies to those rating units which previously qualified for a postponement of rates under policy P04/04, which was repealed on 30 June 2006, and which continues to be owned by the same ratepayer/s who owned it at that date.<sup>12</sup>
2. Council will not accept any new applications under this policy.
3. For the purposes of this transitional policy, the definition of qualifying farmland has been revised as follows:
  - a. Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes but excludes land that is used for forestry, life style, or farm park type purposes.

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<sup>11</sup> This amendment to the policy is to clarify that the provision only applies to those farms where the farmer lives on the property and manages it as their main source of revenue. It is not designed apply to properties that are held as investments by owners who live outside the district.

<sup>12</sup> See footnote above.

- b. The farming operation must provide the principal source of revenue for the owner of the land, who must be the actual operator of the farm and who must reside on the land<sup>13</sup>.
  - c. The area of the land that is the subject of the application must be not less than 50 hectares.
4. The properties that are the subject of this policy will be identified and the rates postponement values determined by council's valuation service provider and will:
    - exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will
    - preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value
  5. No objection to the amount of any rates postponement value determined under this policy will be accepted by council (other than where the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial, or other non-farming use).
  6. The postponement value will be reviewed after each triennial revaluation and the revised value will be advised to the ratepayer. At that time council will seek the advice of its valuation service provider as to whether they believe that the land continues to be actively farmed and qualifies under the terms of this policy provision. Council reserves the right to ask the owner to provide evidence showing that the land continues to operate as a farm.<sup>14</sup>
  7. The owner must agree to a statutory land charge being entered on the certificate of title of the farmland before receiving a postponement of rates.

#### **Termination and repayment of postponed rates**

*All rates that have been postponed under this policy and have not been remitted become due and payable immediately on:*

1. *The land ceasing to be farmland;*
2. *The interest of the owner is passed over to, or becomes vested in, some person or other party other than;*
  - a. *the owner's spouse, son or daughter; or*
  - b. *the executor or administrator of the owner's estate.*
3. *Where only part of the land is disposed of then only part of the postponed rates will become immediately repayable. The amount repayable will be calculated in accordance with the following formula:*

$A \times C$

$B$

Where:-

- A. *is the difference between the rateable value and rates special value of the balance of the land retained by the person who was the occupier on the date on which the rates postponement value was entered on the valuation roll; and*
- B. *is the difference between the rateable value and the special value of the whole of the land immediately before the date of the vesting of that interest in that other person. That special*

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<sup>13</sup> See footnote above

<sup>14</sup> To clarify that council will review the use of the land as part of every triennial revaluation.

*value shall be specially re-determined if, because of a general revaluation of the district in which the land is situated, the special value appearing on the valuation roll is no longer directly related to the rateable value on the date of the vesting; and*

- C. *is the total amount of the rates postponed immediately before the date of vesting. In all cases the amount of the rates to be repaid will be not less than 20% of the value of the total amount of rates currently postponed.*
4. *Subject to the land continuing to qualify for the special postponement value, any rates postponed under this policy will be remitted at the expiration of 10 years from the date on which they were assessed*

## **Postponement of rates on residential land (Policy # P04/05)**

### ***Background***

Council operates a policy provision for the postponement of rates on residential land. This policy has been designed to assist the elderly to remain in their homes by allowing them to postpone or defer their rates and for these to be paid at their death from the settlement of their estate. In general, this policy is aimed at those ratepayers who are over 65 years of age. However, council will also consider applications from people who are younger than 65, but in those instances there is a limit of 15 years, after which time the postponements must be repaid.<sup>15</sup>

In adopting this policy, council considered:

- The objectives (target group/purpose)
- Conditions and criteria
- Duration
- Repayment
- Objectives - target group/purpose.

Generally, rates bear down most heavily on those ratepayers who are in the low income bracket and who also have the least scope to increase their income. The most obvious group is the so-called “asset rich/income poor” elderly, who may own a debt free home but have difficulty meeting fixed outgoings, especially rates – approximately 65% of older people are mainly dependent on New Zealand superannuation with little or no other income. The next most obvious group is those ratepayers who are beneficiaries or otherwise on low incomes.

For both these groups, rates, especially when they are increasing to meet the cost of investing in areas such as infrastructure renewal or upgrade, may impose a very heavy burden on their disposable income. People in these groups may be significantly better off in terms of quality of life if they can indefinitely postpone the obligation to pay (until they sell the property or die), or for younger ratepayers for a period whilst they are coping with heavy costs – perhaps establishing a business, or as a single parent, bringing up children. For a council, postponement can provide a means of relieving cash flow pressure on those groups with consequent benefits including, for councils, reducing a source of community resistance to significant rates-based infrastructure funding.

The main issue for a council adopting an indefinite postponement policy is the risk that, when the postponement period ends, accrued rates and charges will exceed the value of the property. As a general statement, the older a ratepayer is at the beginning of the postponement period, the lower the risk.

Both the nature of the problem and the requirements for managing risk suggest a two-part policy. People aged 65 years and over are the largest group under pressure from the obligation to

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<sup>15</sup> Minor wording changes

pay rates from limited income. They are also lower risk than younger ratepayers as their life expectancy is shorter. The policy objective could be defined as giving ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and council being satisfied that the risk of loss in any case is minimal.

For cases where one or more owners (including people occupying a family trust owned property) is aged 65 or older, postponement would be available until either sale or the death of whoever was named in the application as occupier/s. The intention is that postponement should be available until the sale of the property or the death of the individual or survivor of the couple named in the application as the occupier/s.

For cases where all the owners are younger than 65 years at the time of application, any postponement would be available for a maximum of 15 years. In these circumstances, the intention is to provide a temporary benefit on the grounds of particular hardship. To qualify, the applicant must acknowledge that, at the end of the postponed period, repayment in full will be required and that the applicant must accept a responsibility to do, at that time, whatever is required to make full repayment and resume paying normal rates.

In each case, the impact of postponement will be tested by council as part of its confirmation of eligibility. This will be done by running the details of the property concerned through an actuarial model designed to calculate the total rates and accrued charges outstanding at the end of the postponement period and the expected value of the property, in each case using assumptions (inflation, interest rates, rates, life expectancy) developed by the actuary. If it appears that the total of accrued rates and charges could exceed 80% of the expected value of the property, council will offer partial rather than full postponement; set at a level that will keep the forecast final total within the 80% limit.

The next question is whether (or to what extent) people whose property is subject to a mortgage should be eligible. Technically, this need not concern a council as postponed rates have priority over mortgages. In practice, it would not be sensible for a council to treat the interest of mortgagees in a cavalier manner. It is proposed to deal with these by advising applicants that they should seek their mortgagee's approval before proceeding with an application.

### ***Māori freehold land***

At present, the law does not allow councils to register a charge on Māori freehold land. Accordingly, Māori freehold land is not eligible for the postponement of rates under this policy statement, unless and until the law is changed so that councils can register a statutory land charge and can enforce such a charge.

### ***Policy objectives***

To give ratepayers a choice between paying rates now or later, subject to the full cost of postponement being met by the ratepayer, and council being satisfied that the risk of loss in any case is minimal.

### ***Conditions and criteria***

1. Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (whether as a principal residence or as a holiday home). This includes, in the case of a family trust owned property, use by a named individual or couple. People occupying a unit in a retirement village under an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit with the agreement of the owner of the retirement village.
2. If a property is in a known hazard zone, council has the right to decline to offer rates postponement to the property.
3. Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast, on a case-by-case basis, expected equity, when repayment falls due. If that is likely to be less than 20%, council will

offer partial postponement, set at a level expected to result in final equity of not less than 20%.

4. The property must be insured at the time the application is granted and must be kept insured and evidence of this produced annually.
5. To assist ratepayers who are currently uninsured, council is arranging for the development of a group insurance policy to provide all risks cover, with an excess of \$10,000. This will achieve cover against catastrophic loss at minimum cost. The premium will be treated as part of the postponement fee and thus come within the postponement arrangements. Once the policy is available, all ratepayers whose rates are postponed under this policy will be required either to have their own insurance, and produce evidence of that to council on an annual basis, or to have their properties insured under the group insurance policy.
6. Any postponed rates (under this policy) will be postponed until:
  - a. The death of the ratepayer/s or named individual or couple, (in this case council will allow up to 12 months for payment so that there is ample time available to settle the estate or, in the case of a trust owned property, make arrangements for repayment); or
  - b. Until the ratepayer/s or named individual or couple ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within council's district, council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
  - c. In the case of ratepayers under the age of 65 at the time of application, until a date specified by council.
7. Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover council's administrative and financial costs and may vary from year to year.
8. The financial cost will be the interest council will incur at the rate of council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of independent advice).

The purpose of the reserve fund levy is to protect council and the applicants against the possibility that, in some instances, the proceeds of the sale of a property may not be sufficient to repay accrued rates and charges. Neither the applicants, nor the estate will be required to repay any part of a shortfall; instead this will be paid from the reserve fund.

9. To protect council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained independent person. A certificate confirming this will be required before postponement is granted.
10. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
11. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### ***Termination and repayment of postponed rates***

The policy is in place indefinitely and can be reviewed subject to the requirements of the LGA at any time. Any resulting modifications will not change the entitlement of people already in the scheme to continued postponement of all future rates.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in council's rating information database. This will require the ratepayer/s for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

## **Remission and postponement of rates on Māori freehold land (Policy # ML04)**

### ***Background***

Sections 108 and 109 of the LGA require that all councils introduce policies for the remission and postponement of rates on Māori freehold land.

In compliance with LGA and in recognition that the nature of Māori land is different to general land the Far North District Council has formulated a policy "The Remission and Postponement of Rates on Māori Freehold Land" to deal with these issues.

### ***Definitions***

Māori freehold land – as set out in Te Ture Whenua Act/ Māori Land Act 1993 Part VI section 129(2)(a) means "Land, the beneficial ownership of which has been determined by the Māori Land Court by freehold order, shall have the status of Māori freehold land".

### ***Policy goals***

To introduce policies which promote the collection of rates from Māori freehold land in order that a fair and equitable collection of rates from all sectors of the community can be achieved.

To recognise that certain unoccupied Māori freehold land may have particular conditions, ownership structures, or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.

To comply with the provisions of the 11<sup>th</sup> Schedule of the LGA<sup>16</sup>.

### ***Principles***

The principles used in establishing this policy are:

- That as defined in Section 91 of the Local Government (Rating) Act 2002 Māori freehold land is liable for rates in the same manner as if it were general land;
- That pursuant to Sections 108 and 109, council is required to adopt a policy for the remission and postponement of rates on Māori freehold land;
- That council and the community benefit through the improved collection of rates that are collectable and the removal from the rating debt of that debt which is considered non collectable;
- That applications for remission and/or postponement of rates meet the criteria set by council or LGA;
- That the policy does not provide for the permanent remission or postponement of rates on the lands concerned;
- That council's GST liability in respect of rate arrears is minimised;

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<sup>16</sup> Recording that council considered the requirements of the LGA when developing these policies.

- That all land that receives the benefit of this policy be included in a register, the “Māori Land Rates Relief Register” (the register) and the total amount of the remissions and/or postponements will be separately disclosed in each year’s annual plan and annual report.

In preparing this policy, council has taken account of the provisions of the 11<sup>th</sup> Schedule of the LGA, which states

1. The matters that the local authority must consider under Section 108(4) are -
  - a. the desirability and importance within the district of each of the objectives in clause 2; and
  - b. whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
  - c. whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
  - d. the extent to which different criteria and conditions rates relief may contribute to different objectives.
2. The objectives referred to in clause one are -
  - a. supporting the use of the land by the owners for traditional purposes:
  - b. recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands:
  - c. avoiding further alienation of Māori freehold land:
  - d. facilitating any wish of the owners to develop the land for economic use:
  - e. recognising and taking account of the presence of wāhi tapu that may affect the use of the land for other purposes:
  - f. recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):
  - g. recognising and taking account of the importance of the land for community goals relating to:
    - i. the preservation of the natural character of the coastal environment;
    - ii. the protection of outstanding natural features;
    - iii. the protection of significant indigenous vegetation and significant habitats of indigenous fauna;
  - h. recognising the level of community services provided to the land and its occupiers;
    - i. recognising matters related to the physical accessibility of the land.<sup>17</sup>

### ***Policy statements***

Policy statements have been developed to meet the following requirements:

- Remission of rates on unoccupied Māori freehold land (Policy MI04/01)
- Remission of rates on Māori freehold land used for the purposes of papakainga or other housing purposes subject to occupation licenses or other informal arrangements (policy ml04/2)
- Postponement of rates on Māori freehold land (policy ml04/03)
- Rates postponement to assist forestry development on Māori land (Policy ML04/04) – to be repealed.

### ***General conditions***

- Burden of proof of eligibility is on the owner/s of the property and as confirmed against relevant information held in council records.
- Where land is in multiple ownership, a signed statement authorising an individual to act for one or more owners must be enclosed.

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<sup>17</sup> Refer LGA Schedule 11: previously not referred to LGA.

- Properties will remain on the register for a maximum term of three years after which time the owners will be required to make a fresh application for consideration by council.
- In the event of the land or any portion of the land being sold within that three-year period, a claw back provision applies to enable council to recover the rates remitted for the applicable period. This claw back may, at council's sole discretion, relate to the whole property or only to that portion of the land that has been sold.
- Council or duly designated officers are given approval to undertake periodic inspection of land to confirm unoccupied status.
- Council reserves the right to seek further information, e.g. Memorial Schedule of Owners, if council deems it necessary.

## **Remission of rates on unoccupied Māori freehold land (Policy #ML04/01)**

### ***Background***

The Far North district contains large tracts of Māori freehold land which are unoccupied and unimproved. This land creates a significant rating burden on the Māori owners who often do not have the means nor, in some cases, the desire to make economic use of the land. Often this is due to the nature of the ownership or, because the land has some special significance which would make it undesirable to develop or reside on, is isolated and marginal in quality.

### ***Policy objectives***

To recognise and take account of the presence of wāhi tapu sites of cultural significance or other cultural values that may affect the use of the land for other purposes.

To avoid further alienation of Māori freehold land as a result of pressures that may be brought by the imposition of rates on unoccupied lands.

To recognise matters related to the physical accessibility of the land.

To recognise land that the owners have set aside for non-use because of recognised natural features.

To recognise situations where there is no person using or gaining an economic or financial benefit from the land.

To provide the ability to grant remission for the portions of land not occupied.

In general, reasons for placement on the register and receiving a remission of rates, would include some or all of the following:

- Unoccupied and unimproved – the land is unoccupied and has no, or minimal improvements.
- The land is land locked – much Māori land is land-locked, i.e. does not have legal access to council or national road network.
- Fragmented ownership – ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. Attempts to contact a majority representation are often painstaking and difficult.
- The land has particular conservation value – because of their remoteness and inaccessibility, much Māori land has a high conservation value, which council or the community may wish to preserve.
- Unsecured legal title – many land titles have not been surveyed. Therefore, they cannot be registered with the district land registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
- Isolation and marginal in quality – the lands are geographically isolated and are of marginal quality.

- No management structures – lands have no management or operating structures in place to administer matters.
- Rating problems – because of the above factors, there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

## **Remission of rates on Māori freehold land used for the purposes of papakainga or other housing purposes subject to occupation licenses or other informal arrangements (Policy #ML04/2)**

### ***Background***

The Far North District Council recognises that occupation licenses, or other informal arrangements, only provide an interim or temporary right to occupy part or all of an area of Māori freehold land. This right is only available to the licensee, or informal occupier and does not create an interest that can be transferred or bequeathed as part of an estate.

This form of occupation is different to an occupation order, which provides a permanent right to occupy an area of land, and can be passed on to future generations.

Occupation licenses are generally used to define a specific area of Māori freehold land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori freehold land for a period of time; however, has no formal agreement and no rights to permanent occupation.

The occupier of land that is the subject of an occupation license or informal agreement is generally not required to pay any rental to the owners of the land, i.e. it is not a commercial arrangement.

There is a willingness of occupiers of land that is the subject of these types of arrangements to pay rates in respect of the area of land that they occupy. However, there is a concern that these “parts” may become liable for the uniform annual general charge and other non-service related charges assessed on the basis of a separately used or inhabited part of a rating unit.

This policy statement has been prepared to address these issues. It recognises that papakainga and similar housing on Māori freehold land are generally occupied by members of owners families and no rentals are payable.

The policy is consistent in effect to the treatment of multiple housing on general title land, where the separate parts are occupied on a rent-free basis by members of the owner’s family.

To assist the occupiers pay the rates of the parts of a rating unit that are the subject of occupation licenses, council will issue a separate rate assessment for each part as set out in Section 45 (3) and (4) of the Local Government (Rating) Act 2002.

### ***Policy objectives***

To put in place processes to allow the residents of occupation licenses or other informal arrangements to pay their portion of the rates in respect of the land that they occupy, thus reducing the overall rate debt on Māori freehold land.

To assist Māori to establish papakainga or other housing on Māori freehold land.

To assist Māori to establish a economic base for future development.

### ***Conditions and criteria***

The Far North District Council recognises that the imposition of multiple uniform annual general charges or other non-service related charges might act as a disincentive to Māori seeking to occupy Māori freehold land for housing purposes.

Council will consider applications for the remission of multiple uniform annual general charges and other charges, with the exception of those that are set for the provision of utilities such as water,

sewerage etc., in respect of separately used or inhabited parts of a rating unit where these are the covered by occupation licenses, or other informal arrangements subject to the conditions and criteria set out below:

1. The land must be Māori freehold Land (as defined in Te Ture Whenua Act 1993 Part VI Section 129 as set out above);
2. The part of the land concerned must be the subject of an occupation license or other informal arrangement for the purposes of providing residential housing for the occupier on a rent free basis;
3. The area of land covered by each arrangement must have a separate valuation issued by council's valuation service providers and will be issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).<sup>18</sup>
4. Council reserves the right to cancel the agreement on any part of a rating unit if the rates remain unpaid for a period of more than three months after the due date<sup>19</sup>.
5. The application must be in writing signed by the owners, and the occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the arrangement.
6. Any remissions will not include rates set for the provision water, sewerage or other services to the separate division of the rating unit,
7. The remission of the uniform annual general charge and other charges will remain on the land so long as the arrangement is in force subject to the occupation complying with the conditions and criteria set out above.

## **Postponement of rates on Māori freehold land (Policy #ML04/03)**

### ***Background***

The Far North District Council recognises that significant rate arrears can act as a disincentive to any new occupation of the Māori freehold land, where a new occupier could become responsible for the payment of any existing arrears of rates on the land.

It has therefore introduced policies that provide for the postponement of rates in respect of Māori freehold land that is to be used by a new person or persons and the person or persons, agree to pay the future rates for such period that they continue to use the land.

This policy provides for the remission of outstanding penalties and the postponement of rate arrears outstanding at the time that the agreement comes into force.

It further provided that in the event that the rates continue to be paid, the postponed rates will be remitted six years after the date upon which they were charged to the land.

### ***Policy objectives***

To facilitate the development and use of the land for economic use, where council considers utilisation would be uneconomic if full rates were payable.

### ***Conditions and criteria***

The Far North District Council will agree to postpone the arrears of rates on Māori freehold land subject to the land being continuously used by a new person or persons as defined by Section 96 of the Local Government (Rating) Act 2002 and that person or persons agreeing to pay the current and future rates while they are using the land, subject to the criteria set out below.

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<sup>18</sup> Clarifying that separate assessments will be issued for each part of the rating unit that is separately occupied.

<sup>19</sup> This allows council to cancel the arrangement if rates are not paid on the land.

1. The land must be Māori freehold land (as defined in Te Ture Whenua Act 1993 Part VI Section 129 as set out above).
2. The application must be in writing signed by the owner/s, or their agent or by the person or persons proposing to use the land.
3. The person or persons proposing to use the land must be a new user or users.
4. The new person or persons using the land must enter in to an agreement in writing to keep the current and future rates up to date whilst they are using the land.
5. All previous instalments of the current year's rates must be paid in full within 1 month of the agreement date, or in part payments, by the 30 June of the current year.
6. Council will have the sole judgement on whether or not to grant the application and may seek such additional information as they may require before making their final decision.
7. An application will only be considered in respect of a new user or users of the land.
8. Pursuant to Section 88 of LGA, a postponement fee will be added to the postponed rates.

Note:

In this context a "new person" means a person who has not previously had a connection with the land. It does not include new trustees appointed to a Māori trust or incorporation because the ratepayer remains the trust or incorporation.

***Termination and repayment of postponed rates***

1. Postponed rates will remain as a charge on the property for period of six years from the date on which the rate was assessed, after which time they will be remitted.
2. If the current and future rates are not paid within one month of the due dates, council reserves the right to reapply the postponed rates to the land.

# WHANAGAREI DISTRICT

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## **Policy 12/101 remission of some uniform annual general charges and/or targeted rates on separately used or inhabited parts of rating units**

### ***Background***

This council levies rates on separately used or inhabited parts of a rating unit (including separate areas capable of separate occupation). In some cases, the application of this may result in inequity, and where the property is used for both business and residential purposes, or where the residential property has a separate dwelling, unit, flat or apartment which is used by family members a remission may apply.

### ***Objectives of the policy***

The policy provides the ability for rates relief where the rating unit has more than one separately used or inhabited part and the rates assessed include more than one uniform annual general charge and/or targeted rate and where the rating unit is:

- a. Separately used by one occupier for both business and residential purposes; or
- b. Used for residential purposes and the separately inhabited part is occupied by a member of the family (first degree relative) of the owner of the rating unit on a rent free basis.

### ***Conditions and criteria***

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

1. The rating units in (a) above must be occupied (either as owner or lessee) by the same person(s) and separately used by that/those person(s) for his/her or their business and residence; or
2. The rating units in (b) above must be used as the owner's principal residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family on a rent-free basis. The family member must be a first degree relative to the owner for example, grandparent, parent, adult child, or sibling.
3. The owner(s) of the rating unit must complete and provide to the council a statutory declaration stating that the conditions in either (1) or (2) above apply. Such a declaration will be effective from 1 July following the date of application for one to three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first three-year period.
4. The rates which may be remitted are as follows:
  - a. for rating units in both (a) and (b) above, any uniform annual general charge and/or uniform targeted rate for district wide refuse management assessed in respect of the rating unit, apart from the first of each; and
  - b. in addition, for rating units in (b) above, any uniform targeted rate for sewerage services assessed in respect of the rating unit, apart from the first.
5. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 12/102 remission of some general rates, uniform annual general charges and targeted rates on rating units which are in common ownership but do not meet the criteria of a contiguous property**

### ***Background***

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

### ***Objectives of the policy***

To allow Council to remit any uniform annual general charge or any targeted rate on any rating unit created as a result of subdivision that falls outside the automatic exemption provisions of Section 20 of the Local Government Rating Act 2002. To encourage development in the District, if it is in Council's interests to do so, by allowing short term relief from full rates to property developers.

### ***Conditions and criteria***

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

1. The rating units must have been created in accordance with Council's subdivision development requirements.
2. The rating units must be vacant land.
3. The rating units must be in the name of the ratepayer actually subdividing the land.
4. The rates which may be remitted for all properties are any uniform annual general charge and/or targeted rate. In addition, all properties rated as commercial will receive a remission of 20% (twenty per cent) of the value based general rates.
5. The remissions will apply to only the second or subsequent rating units of any subdivision new deposited plan.
6. Remissions will only apply for a period of five years.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

## **Policy 09/103 remission of some uniform annual general charges and targeted rates on separately used or inhabited parts of a rating unit**

### ***Background***

There are some instances where properties are used in conjunction with each other, but they may be separated by district boundaries or may not be contiguous or adjacent. This particularly applies in farming situations where properties may be physically separated or separated by district boundaries but they are used as one farm operation. Strict compliance with the legislation results in an inequitable result, and this policy allows for remissions in these rare circumstances.

### ***Objectives of the policy***

To allow Council to remit any Uniform Annual General Charges and/or targeted rates on any separately used or inhabited part of a rating unit where common or like occupancies occur or where the separately occupied portions are deemed to be operating as a single purpose unit.

To allow Council to remit any Uniform Annual General Charges and/or targeted rates on any separately used or inhabited part of a rating unit where special circumstances apply and it is considered fair and reasonable to do so.

### ***Conditions and criteria***

Council may remit the specified rates where the application meets the following conditions and criteria:

1. Council is satisfied that the separately used or inhabited part of a rating unit is considered to be a single purpose function including properties across district boundaries.
2. Evidence to support the application for remission will be provided to Council by the ratepayer if requested by Council.
3. In the case of (1), above, remission will apply to all separately used or inhabited parts of the rating unit, apart from the first.
4. Reasons for granting the remission are fully documented in Council records.
5. Council may undertake triennial reviews to ensure that the properties still meet the conditions of this policy. If there are any ownership changes and/or, improvements are added and/or affected properties are subdivided a review may be carried out prior to the next financial year after Council becomes aware of these circumstances.
6. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

## **Policy 09/204 discount for early payment of rates in current financial year**

### ***Background***

A discount is granted where the full annual rates are paid on the due date of the first instalment.

### ***Objectives of the policy***

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

### ***Conditions and criteria***

1. A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.
2. That the amount of the discount be set each year in accordance with that provided in council's annual plan or long-term plan.
3. Decisions on remissions under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 12/205 remission of penalties**

### ***Background***

Penalties are charged where instalments are not paid on due dates. In addition, where previous years' arrears remain unpaid three months after the end of each rating year a further penalty is applied.

### ***Objectives of the policy***

The objective of the remission policy is to provide remission of penalties charged where it is fair and equitable to do so. To provide the ability to remit penalties on rates where reasonable grounds exist or to encourage payment of arrears and/or payment by council's preferred direct debit option.

### ***Conditions and criteria***

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

1. Remission of penalties will be considered in any rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.
2. Remission of the penalty will be granted if 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. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
3. In considering the remission of any penalty a good payment record or otherwise may be taken into account.
4. Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears and savings in debt collection costs.
5. Where it facilitates the future payment of rates by direct debit within a specified time-frame.
6. Council may remit small balances due to cash rounding or where the balance outstanding is considered uneconomical to pursue.
7. Where a ratepayer enters into an agreed payment arrangement to pay off arrears in a specified time-frame, penalty suppression may be granted for future penalties that fall due within that period.
8. Decisions on remission of penalties under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 09/309 remission of rates for community, sports and other organisations**

### ***Background***

Community and voluntary groups provide facilities for residents which enhance and contribute to their wellbeing. Council wishes to encourage such groups by providing a reduction in rates levied.

### ***Objectives of the policy***

To facilitate the ongoing provision of non-commercial (non-business) community services and/or recreational opportunities that meets the needs of Whāngārei residents.

To assist the organisation's survival; and

To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

### ***Conditions and criteria***

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

1. The policy will apply to land owned by the council or owned and occupied by a charitable or non-profit organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operating for private pecuniary profit, or which charge tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
4. The application for rate remission must be made to the council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
5. 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.
6. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.
  7. The rates to be remitted will be 50% of all property rates applied, including targeted rates for sewerage connection (but not including metered water) with the exception of community halls which will receive 100% remission.

## **Policy 09/410 postponement of rates – extreme financial hardship**

### ***Background***

From time to time council is approached by ratepayers who are experiencing financial hardship. Staff will work with applicants to help meet their commitments with payment options, payment arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

### ***Objectives of the policy***

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

### ***Conditions and criteria***

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. As a general rule the ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within Whāngārei district for not less than two years.
3. The rating unit must be used solely for residential purposes.
4. 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 his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
5. The ratepayer must not own any other rating units or investment properties or other investment realisable assets.
6. The ratepayer must make application to the council on the prescribed form.
7. Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
8. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
9. The council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the council's administration and financial costs.
10. 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.
11. Any postponed rates will be postponed until:
  - a. the death of the ratepayer(s); or
  - b. until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
  - c. until the ratepayer(s) ceases to use the property as his/her residence; or

- d. until a date specified by the council as determined by the council in any particular case.
12. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
13. Postponed rates will be registered as a statutory land charge on the rating unit title.
14. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 12/412 postponement and remission on specific farmland properties**

### ***Background***

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates levied would be a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

### ***Objective of the policy***

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

### ***Conditions and criteria***

1. The properties will be identified and the rates postponement values will be determined by council's valuation service provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to council's valuation service provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
  - a. So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
  - b. So as to preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
  - c. May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in council's differential rating system.
4. The farming operation should provide the majority of revenue for the owner of the land who should be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.
7. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.

### ***Effect of rates postponement values***

1. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.
2. The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
3. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

### ***Rates levied before postponement values set***

Where council has levied rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

### ***Additional charges***

No additional charges will apply on any rates postponed under the rates postponement values system.

### ***When postponed rates become payable***

All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:

- a. The land ceasing to be farmland;
- b. The interest of the owner of any part of the land is passed over to or becomes invested in some person or other party other than;
- c. The owner's spouse; or
- d. The executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

### ***Transitional arrangements***

Where a property received a postponement under this policy prior to its review as at 1 July 2012, but it no longer meets the amended criteria after the revaluation as at 1 September 2012, rates previously postponed will become payable in accordance with this policy or will be remitted at the expiry of five years after the end of the rating year (30 June) to which the postponement applies.

### ***Postponed rates to be a charge on the rating unit***

Where council has postponed the requirement to pay rates in respect of a rating unit, a charge will be registered on the rating unit under the Statutory Land Charges Registration Act 1928.

## **Policy 09/413 postponement and/or remission of rates and charges on properties affected by fire or natural calamity**

### ***Background***

This policy recognises that, where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged or where it cannot be used, then the application of full rates could cause financial hardship.

### ***Objective of the policy***

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

### ***Conditions and criteria***

1. All applications must be in writing and must be supported by documentary evidence as to the extent of the damage.
2. Any application for rates relief due to fire will not be accepted if Council has any reason to suspect that the fire was deliberately caused by owner, occupier or a related party.
3. Council may remit or postpone rates wholly, or in part, under this policy any rate or charge made and levied in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.
4. The criteria for repayment of postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.
6. If an application is approved, Council may direct its valuation service provider (if considered appropriate to do so) to inspect the rating unit and prepare a valuation that will take into account any factor that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature, then the valuation service provider's decision will be final.

## **Policy 09/611 remission of rates on unoccupied Māori freehold land**

### ***Background***

Some Māori freehold land in the Whāngārei district is unoccupied and unimproved. This land creates a significant rating burden on the Māori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

### ***Policy***

***A remission of all or part of rates may be granted in respect of multiple-owned Māori freehold land which is unoccupied or unproductive.***

### ***Objectives of the policy***

To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.

Where part only of a block is occupied, to grant remission for the portion of land not occupied.

To encourage owners or trustees to use or develop the land.

Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

Any other matter in accordance with schedule 11 of the Local Government Act 2002.

### ***Conditions or criteria***

1. The land must be multiple-owned and unoccupied Maori freehold land which does not produce any income. (Multiple owned is defined as more than two registered owners. This includes beneficial owners where the registered owner is deceased, but the succession order has not yet been approved by the Maori Land Court)

2. The land or portion of the land must not be “used”. This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non- useable land.
4. A request for rates remission by the owners must include:
  - a. Details of the land;
  - b. Documentation that shows the ownership of the land;
  - c. Reasons why remission is sought.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.
7. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 12/614 postponement of rates on Māori freehold land**

### ***Background***

The difficulty in establishing and contacting owners or occupiers of Māori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

### ***Objectives of the policy***

To encourage the development and use of Māori freehold land where council considers the full payment of the rate arrears would be a disincentive.

### ***Conditions and criteria***

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Māori freehold land.
2. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
3. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be remitted.
4. Council reserves the right to reapply the rates postponed should the agreement not be met.
5. Decisions on remission under this policy will be delegated to officers as set out in council's delegation manual.

## **Policy 16/414 remission of rates on voluntarily protected land**

### ***Background***

In the past, legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II National Trust. However, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand to protect special natural and cultural features on their land with open space covenants.

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

This policy is to encourage and promote the conservation and protection of significant natural resources in the district. This will enable Council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

***Conditions and Criteria***

Council may remit the rates where the rating unit meets the following criteria:

1. Council is satisfied that the land is subject to permanent protection under a QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s) for the rating unit.
2. No person(s) are actually using the land and no building structures are within the boundaries of the covenanted area.
3. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

# KAIPARA DISTRICT

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## **Overview and background**

Section 102(3) of the Local Government Act 2002 provides that a council may adopt a rates remission policy and/or a rates postponement policy. The two policies have been combined into a single rates postponement and remission policy.

The objective of this scheme is to:

- provide financial assistance and support to ratepayers
- address rating anomalies
- cover other objectives.

The council must consult on a draft policy or amendment in a manner that gives effect to section 82 of the Local Government Act 2002 to adopt and amend this policy.

The council's rates postponement and remission policy is set out in four parts, each containing a number of schemes.

### **Part one - financial assistance and support**

- Rates postponement for financial hardship
- Rates remission for financial hardship
- Rates remission of penalties

### **Part two - addressing anomalies**

- Rates remission of multiple uniform annual general charges and other uniform charges on rating units
- Rates remission for community, sporting and other organisations
- Rates postponement or remission for miscellaneous purposes

### **Full details of each rates remission and postponement scheme.**

## **Part one - financial assistance and support schemes**

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### **Rates postponement for financial hardship**

#### **Objective**

The objective of this scheme is to assist ratepayers experiencing financial hardship which affects their ability to pay rates.

#### **Criteria**

The ratepayer must meet the following criteria to be considered for rates postponement for hardship:

1. The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
2. The rating unit must be used solely by the ratepayer as his/her residence.
3. No person entered on the council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
4. The current financial situation of the ratepayer must be such that s/he is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision

for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.

5. The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the council offices, at either Dargaville or Mangawhai, or on council's website [www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

### **Conditions**

The council will consider, on a case-by-case basis, all applications received that meet the above criteria.

1. For the rates to be postponed, written confirmation of the ratepayer's financial situation must be provided from the ratepayer's budget advisor. Additionally, council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise, e.g. budget advisors or the like.
2. For the rates to be postponed, the council will require a statutory declaration:
  - that the ratepayer does not own any other property or have significant interest in a business or shares; and
  - containing the value of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.
3. For the rates to be postponed, the council will require the ratepayer to first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
4. The council will add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to the date that they are paid. This fee will not exceed the council's administrative and financial costs of the postponement.
5. The postponement will apply from the beginning of the rating year in which the application is made, although the council may consider backdating to before the rating year in which the application is made depending on the circumstances.
6. Any postponed rates will be postponed until:
  - a. the death of the ratepayer(s); orb) until the ratepayer/s cease/s to be the owner or occupier of the rating unit; orc) until the ratepayer/s cease/s to use the property solely as his/her residence; ord) until the postponed rates are 80% of the available equity in the property; ore) until a date specified by council.
7. All or part of the postponed rates may be paid at any time. The applicant may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this scheme.
8. 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.

### **Delegation of decision-making**

Decisions relating to the postponement of rates will be made by the General Manager Finance or the Chief Executive.

## **Rates Remission for financial hardship**

### **Objective**

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

### **Criteria**

The ratepayer must meet the following criteria to be considered for a rates remission for financial hardship:

- a. The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
- b. The rating unit must be used solely by the ratepayer as his/her residence.
- c. No person entered on the council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
- d. The current financial situation of the ratepayer must be such that s/he is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.
- e. The ratepayer (or authorised agent) must make an application to council on the prescribed form (copies can be obtained from the council offices, at either Dargaville or Mangawhai, or on council's website [www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

### **Conditions**

- a. The council will consider, on a case by case basis, all applications that meet the above criteria.
- b. For the rates to be remitted, the ratepayer's financial situation must be such that the ratepayer is eligible for, and has applied for, the government rates rebate scheme. Additionally, council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise, e.g. budget advisors or the like.
- c. For the rates to be remitted, the council will require a statutory declaration that the ratepayer does not own any other property or have significant interest in a business or shares.
- d. The remission will apply from the beginning of the rating year in which the application is made, although the council may consider back-dating to before the rating year in which the application is made depending on the circumstances.

### **Delegation of decision-making**

Decisions relating to the remission of rates for financial hardship will be made by the General Manager Finance or the Chief Executive.

## **Rates remission of penalties only**

### **Objective**

The objective of this scheme is to enable the council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

### **Criteria**

1. Where the ratepayer meets the payment conditions agreed with the council to resolve a rates arrears, the council can remit any part of the penalties already incurred or yet to be incurred.
2. The penalties incurred on the first instalment of each financial year will be remitted if the ratepayer pays the total amount of rates due for the year, excluding the penalty on the first instalment, but including any arrears owing at the beginning of the financial year, by the second instalment due date.
3. There are extenuating circumstances.
4. The ratepayer has paid after the penalty date, but has not received a rates penalty remission under this scheme within the past two years.

### **Conditions**

1. If the ratepayer stops paying rates then the council is able to reinstate the penalties.
2. The remission will apply from the beginning of the rating period in which the application is approved and may not necessarily be backdated to prior years.

### ***Treatment of penalties on small overdue balances***

When a small balance is overdue which is uneconomical to collect, Revenue Manager, General Manager Finance or the Chief Executive may write off the balance in line with other council procedures. Penalties will not be applied in these circumstances.

### ***Delegation of decision-making***

Decisions relating to the remission of rates penalties will be made as follows:

1. For meeting condition/criterion 1 (enters payment conditions to resolve rate arrears) - General Manager Finance or the Chief Executive.
2. For meeting condition/criterion 2 (pays outstanding rates by instalment 2) - Revenue Manager, General Manager Finance or the Chief Executive.
3. For meeting condition/criterion 3 (extenuating circumstances) - General Manager Finance or the Chief Executive.
4. For meeting condition/criterion 4 (late payment but first in two years) - Revenue Manager, General Manager Finance or the Chief Executive.
5. For meeting condition/criterion 6 (backdating remission to prior years) - General Manager Finance or the Chief Executive.

## **Rates postponement or remission for miscellaneous purposes**

### ***Objective***

The objective of this scheme is to enable the council to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other schemes in the rates remission and postponement policy, but where the council considers it appropriate to do so.

### ***Criteria***

The council may postpone or remit rates and/or penalties on rates on a rating unit where it considers it just and equitable to do so because:

1. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units;
2. The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the council's other rates postponement or remission schemes, but are not actually covered by any of those schemes;
3. There are exceptional circumstances that the council believes that it is equitable to postpone or remit the rates and/or penalties on rates.

### ***Conditions***

1. Where the council and the ratepayer have agreed to postpone rates and/or penalties on rates:
  - a. Applications must be received in writing by council from the ratepayer.
  - b. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the scheme.
  - c. Postponed rates will be registered as a statutory land charge on the certificate of title.
  - d. Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover council's administrative and financial costs and may vary from year to year.
  - e. Any postponement is valid for the year in which the application was made.

- f. Ratepayers will be encouraged to obtain financial and/or legal advice about the rates postponement from an appropriate independent person.
2. The council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this scheme.

#### ***Delegation of decision-making***

Decisions relating to the remission of rates and/or penalties on rates will be made by the Chief Executive.

## **Part two - addressing anomalies**

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### **Rates remission of uniform annual general charges and other uniform charges on rating units**

#### ***Objective***

To enable council to act fairly and equitably with respect to the imposition of uniform charges on two or more separate rating units that are contiguous, and used jointly for a single residential or farming use but do not currently meet section 20 of the Local Government (Rating) Act 2002.

#### ***Conditions and criteria***

1. The council may remit multiple sets of Uniform Annual General Charges and relevant targeted rates set as a fixed amount per rating unit or separately used or inhabited part of rating unit (SUIP) in the following circumstances:
  - a. Where a ratepayer owns and resides on two separate residential rating units that are contiguous and used jointly as a single residential property;
  - b. Where a farming operation consists of a number of separate certificates of title or rating units that are contiguous, the occupier of all rating units is the same and operated jointly as a single farm, but is owned by a number of separate owners.
  - c. Targeted rates set as a fixed amount for a service actually provided or made available to each separate part of the rating unit, such as water and wastewater rates, shall not be eligible for remission.
2. Owners wishing to claim a remission under this scheme may be required to make a written application or declaration and to supply such evidence as may be requested to verify that a remission should be granted under this scheme.

#### ***Delegation of decision-making***

Decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance or the Chief Executive.

### **Rates remission for community, sporting and other organisations**

#### ***Objective***

To enable council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community focus, but do not currently meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.

## **Criteria**

1. Council may remit all or part of rates to land that is being used or occupied under the following circumstances:
  - a. Land owned or used by a society or association of persons, whether incorporated or not, for the purposes of a public hall, library, museum, or other similar institution.
  - b. Land owned or used by a society or association of persons, whether incorporated or not, for games or sports other than galloping races, harness races and greyhound races, and does not meet the 50% non-rateable definition as a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.
  - c. Land owned or used by a society or association of persons, whether incorporated or not, the object or principal object of which is to conduct crèches or to conserve the health or well-being of the community or to tend the sick or injured.
  - d. Land owned or used by a society or associations of persons, whether incorporated or not for sporting, recreation, or community purposes that does not meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.
2. In all cases, land that is used for the private pecuniary profit of any members of the society or association shall not be eligible for a rates remission.

## **Delegation of decision-making**

Decisions relating to the remission of rates will be made by the Revenue Manager, General Manager Finance or the Chief Executive.