



# Rates Remission Policy

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July 2024

## Rates Remission Policy

This policy provides for the remission of rates in certain circumstances and is prepared in accordance with sections 102(3) and 109 of the Local Government Act 2002 (LGA). A rates remission is a partial reduction in the amount of rates payable.

Section 102(3A) of the Act provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993. These principles include recognition that land is a taoka tuku iho of special significance to Māori people, and for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles. Council considers that this policy supports those principles, particularly when viewed in conjunction with Council's policy on Rating of Māori Freehold Land.

### Policy objectives

The general objective of this policy is to provide rates relief in certain circumstances to assist in achieving the economic, social, environmental and cultural outcomes contained in the Council's Long-Term Plan.

### Strategic goals

There are a number of Strategic Goals where rates remission is or may be a useful tool in assisting the Council to achieve those goals and outcomes.

#### Identified Strategic Goals are as follows:

1. Strategies that promote a sense of community and support initiatives to enhance social well-being.
2. Strategies that are good for economic growth, promote and facilitate economic development and employment opportunities.
3. Strategies which manage our natural and developed environment and protect and enhance the visual character, heritage and cultural values of the rural area.
4. Strategies that make our district a great place in which to live.

### 1. Application

- 1.1 All applications for remission must be prepared on the Council's prescribed form and be supported by:
  - a. the record(s) of title (where applicable);
  - b. plan of property and aerial photograph (if available);
  - c. details of any use or occupation; and
  - d. reasons why relief is sought.
- 1.2 The Chief Executive Officer shall be notified of every rates remission granted under this policy and the relevant rating units shall be:
  - a. recorded in a register held by the Council; and
  - b. subject to annual inspection at the Council's discretion to ensure that the land continues to qualify for a rates remission.
- 1.3 The decision to grant a remission under this policy including the amount and timing of any remission is at the sole and absolute discretion of the officer delegated to make the decision on behalf of the Council pursuant to clause 1.4.
- 1.4 For the purposes of efficiency and effectiveness in the conduct of the Council's business, the Council delegates the decision-making functions and administration of this policy to the officer holding the position of the Chief Finance Officer. This delegation applies to any officer who performs or exercises the same or substantially similar role or function, whatever the name of his or her position.



## **2. Remission for community, sporting and other organisations**

### **Policy objective**

- 2.1 To facilitate the provision of not-for-profit community services, facilities and recreational opportunities for the residents of the Selwyn District.
- 2.2 The purpose of granting rates remissions to an organisation in these circumstances is to:
  - a. Assist the organisation's survival.
  - b. Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, older people, and economically disadvantaged people.

Conditions and criteria:

- 2.3 Remission of rates under this clause 2 of this policy:
  - a. will apply to rating units owned by the Council or owned and occupied by a not-for-profit, community based organisation, which are used exclusively or principally for sporting, recreation, or community purposes; and
  - b. does not apply to organisations operated for private pecuniary profit, or which charge a commercial tuition fee, or commercial rent.
- 2.4 The maximum rates remission (other than for community halls) will be 50% of general rates.
- 2.5 The holding of a liquor licence will not disqualify an organisation from receiving a rates remission).

- 2.6 The Te Pirita, Motukarara, Springston South and Sedgemere Halls are identified as playing a special role in the District's communities and shall therefore receive a 100% general rate remission.

(Community halls' remissions are covered under the Local Government (Rating) Act 2002 (LGRA).

### **3. Remission of sewerage rates**

- 3.1 All rating units connected to sewerage will pay one uniform rate for the first four pans located on a rating unit with the 5th and all subsequent pans levied at 25% of the first pan.
- 3.2 In addition, primary schools can apply for a rates remission in respect of the annual sewerage rate to ensure that they are only charged the sewerage rate for the number of pans required by the Ministry of Education guidelines.

### **4. Rating hardship policy for capital contributions**

- 4.1 The Council's rating hardship policy for capital contributions is as follows:
  - a. The underlying principle of giving ratepayers assistance with their capital contribution is that the payment arrangement be fair and reasonable to the ratepayer concerned.
  - b. Ratepayers must enter into automatic payment or like arrangements to repay capital contributions.
  - c. Ratepayers who can provide evidence that an asset sale is pending which will allow a lump sum payment may be given a maximum twelve-month period to liquidate that asset and pay the capital contribution.





- d. Each ratepayer applying for hardship assistance under this clause 4 must provide an appropriate financial declaration to the Council and must provide evidence that they have sought assistance from other welfare agencies or financial institutions as appropriate.

## **5. Remission of penalty on overdue instalment**

- 5.1 Ratepayers shall be allowed one overdue instalment in 24 months, penalty free, on application.

## **6. Remission of penalty if rates paid on second instalment**

- a. If the full year's payment of rates is made on the second instalment in any year, any penalty incurred for overdue payment on the first instalment shall be remitted.

## **7. Remission of rates and penalties**

- 7.1 Penalties on rates or levies may be remitted where the following criteria are satisfied.
  - a. a written application is made in accordance with clause 1.1 above specifying the reason for non-payment and the period for which the application is made; and
  - b. the reason for non-payment involves one of the following circumstances:
    - i. hospitalisation or other medical reasons (where confirmed by medical evidence);
    - ii. deceased estates (where a deceased ratepayer's affairs have been delayed by statutory process); or
    - iii. land transfer or subdivision (where this has been unreasonably delayed by the statutory process).

- 7.2 Consideration will be given to second dwelling charges on a rating unit where the second dwelling is considered as a self-contained unit with services and is occupied by the immediately family member(s) of the rating unit owner. If the second dwelling ceases to be occupied by the immediate family member(s) second dwelling charges will apply. An annual declaration of occupancy will be required to confirm status.

- 7.3 Where rate charges increase as a result of proposed plan changes which do not become operative, rates may be subject to remission back-dated to the start of the applicable rate period in accordance with clause 1.4.

## **8. Remissions of targeted rates and uniform annual general charge**

- 8.1 Sports, community-based and similar not-for-profit organisations are exempted from 50% of the uniform annual general charge, and targeted rates for libraries, recreation reserves and community centres.
- 8.2 Ratepayers who own a rating unit with a dwelling and a rating unit with vacant land (ie the rating unit with vacant land does not contain a dwelling) in the Selwyn District are exempted from the libraries targeted rate in respect of the vacant land.
- 8.3 Ratepayers, where vacant land can be identified as integral to an existing operation of their business in the Selwyn District, are exempted from the uniform annual general charge and the libraries targeted rate on the vacant land.
- 8.4 Ratepayers who own a commercial, industrial or service based rating unit in the Selwyn District that does not contain a dwelling

are exempted from the targeted rates for swimming pools, recreation reserves and community centres.

- 8.5 Ratepayers who own a dwelling and a commercial, industrial or service based rating unit in the Selwyn District that does not contain a dwelling are exempted from the targeted rates for libraries in respect of that rating unit.
- 8.6 All rating units owned by the Royal New Zealand Plunket Society are exempted from the uniform annual general charge and the general rates while the relevant rating unit is used one hundred percent as a childcare facility.
- 8.7 All rating units owned by the Royal New Zealand Plunket Society shall be charged for all services as provided as separate items by the Council (eg water, refuse, sewer etc).
- 8.8 All rating units which contain lodges owned by the Freemasons of New Zealand shall benefit from a 50% remission of general rates.

The exemptions in 8.1 to 8.8 above do not limit a ratepayer's entitlement to exemptions under the contiguous property rules of section 20 of the LGRA.

## **9. Scout group hall rating**

- 9.1 The Council will allow a 50% remission of the uniform annual general charge and general rates for all Scout Groups.

## **10. School and service club endowment land**

- 10.1 School and service club endowment plantations within the Selwyn District that are planted on rateable property shall be granted a 50% rates remission.

## **11. Remission on rating units affected by natural calamity**

- 11.1 The Council may remit rates either wholly or in part where a rating unit has been detrimentally affected by a natural calamity (disaster) to an extent the Council considers that it would be unfair or unreasonable to require that the rates be paid as assessed.
- 11.2 Full details must be provided of the nature of the event that caused the damage and the degree of damage to the rating unit. If the damage is temporary and the rating unit is expected to return to its former use in the future, an estimate of the time it will take the land to recover to a useable state and the steps that the owner will take to achieve this should be provided. The Council may require the ratepayer to provide a report from a registered engineer or other similarly qualified expert.
- 11.3 The amount of remission given in any case under this clause 9 will be set by the Chief Finance Officer in accordance with clause 1.4 having regard to the severity of the event, the degree of damage to the subject rating unit and other rating units in the district and other financial assistance available. Consideration will also be given to the effect of remissions on the remaining rating base.

## **12. Extreme financial hardship**

- 12.1 Remission in circumstances of extreme financial hardship during an emergency, pandemic, or disaster.

### **Policy objective**

- 12.2 To enable the Council to grant whole or partial remission of rates in cases of extreme financial hardship on a case-by-case basis.

## **13. Conditions and criteria**

- 13.1 The Council may grant a whole or partial remission of rates payable in respect of a rating unit for up to 12 months in accordance with this policy where an application received in accordance with clause 1 above meets all of the following criteria:
- the application must be made within 3 months of an emergency, pandemic or disaster the applicant ratepayer must be the current occupier of the rating unit which must be solely used for their personal residential purposes;
  - the Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates for the rating unit;
  - the ratepayer must provide any evidence that the Council deems appropriate to support the claim of extreme financial hardship; and
  - the ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
- 13.2 In consultation with Council, the CEO or their nominated person have the authority to develop a temporary rates penalty, remission policy, covering a period no longer than 12 months as a result of a pandemic or other similar event affecting rating units in the Selwyn District.

14. Remission of rates on Land Protected for Natural Conservation Purposes

- 14.1 Remission of rates for protected areas of significant indigenous flora or fauna, landscape or geological value.
- Policy objective**
- 14.2 To acknowledge the wider community benefit of protecting areas of significant indigenous flora or fauna, landscape or geological value which are often on privately owned land by sharing the cost by way of a rating remission.
- 14.3 To recognise the extent of voluntary protection given to natural values on private land by granting a rating remission commensurate with the level of protection offered.
- 14.4 To recognise that inappropriate use may result in compromising the indigenous flora or fauna, landscape or geological value and that the landowners should receive compensation from having to pay rates on that land where preservation and protection is occurring.

15.Conditions and criteria

- 15.1 For land held under a legal mechanism or formal agreement for preservation and protection:
- a. The Council will grant rates remissions for identified significant indigenous flora or fauna, landscape or geological value in accordance with the following formula (to the extent practically possible using existing rating administrative systems):
    - i. 100% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a

- legal mechanism for the purpose of preservation and protection in perpetuity.
  - ii. 50% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a legal mechanism for the purpose of preservation and protection for a period less than 25 years.
  - iii. 25% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a formal mechanism for the purpose of providing for the preservation or protection.
  - iv. Rates remission under this clause 10 will be calculated in the following manner:
- b. Rates remission under this clause 10 will be calculated in the following manner:
- i. Rates remission amounts will be calculated according to the size of the area subject to protection or management as set out in Table 1. This method is related to the level of contribution towards the environment as larger areas of protected area are generally more significant. However, this does not take into account the presence of rare or endangered species, or the amount of time and effort put into the management of any site(s). For the avoidance of doubt, the rates remission amounts set out in Table 1 applies to the cumulative area of hectares protected on any one property, not for each protected area which may be on any one property.

- ii. The remission of rates under this clause 10 does not apply to land that is non-rateable under section 8 of the LGRA and is liable only for rates for water supply, wastewater disposal, waste collection or recycling.
- c. Applications for rates remission in accordance with this clause 10 must be in writing and supported by documentary evidence of the protected status of the rating unit, for example, a copy of the covenant agreement or other legal mechanism.

Table 1. Rates Remission Amounts

Size of Total Protected Site(s)(ha)	Rates Remission – 100%	Rates Remission – 50%	Rates Remission – 25%
Up to 5.0ha	\$350	\$175	\$87.50
5.001 – 10.0 ha	\$500	\$250	\$125
10.001 – 50.0ha	\$950	\$475	\$237.50
50.001 – 100ha	\$1,250	\$625	\$312.50
Over 100ha	\$2,000	\$1,000	\$500

The resulting percentage will be applied to the existing rating assessment to the general rates component.



## **16. For the remission of rates under this clause 10:**

- a. identified means identified in the District Plan, Significant Natural Area Report, Canterbury Biodiversity Strategy or other areas considered worthy of protection by covenanting bodies;
- b. legal mechanism includes an open space covenant or Kawanata Māori with QEII Trust, Banks Peninsula Conservation Trust, the Department of Conservation, a Nga Whenua Rahui protection or landowners independently registering private covenants on their title;
- c. formal mechanism means a written agreement or understanding between at least the Council and the landowner; and
- d. significant indigenous flora or fauna of a site is as defined by Appendix 3 of the Canterbury Regional Policy Statement.

**16.1** Remission of rates on land protected for natural, historic or cultural conservation purposes.

**16.2** The Council may provide rates remission to ratepayers who meet objectives, conditions and criteria of this clause 13.

## **17. Policy objective**

- 17.1** Rates remission is provided where it is necessary to preserve and promote natural resources and heritage by encouraging the protection of land held for a natural, historic or cultural purpose.

## **18. Conditions and criteria**

- 18.1** Ratepayers who own rating units which have some feature or cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this clause 13.
- 18.2** Applications should be supported by documentary evidence of the protected status of the rating unit (eg the copy of the covenant or other legal mechanism).
- 18.3** In considering any application for remission of rates under this clause 13, the Council will consider the following criteria:
  - a. The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
  - b. The degree to which features of natural, cultural or historic heritage are present on the land.
  - c. The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

## **19. Review of this policy**

- 19.1** This policy shall be reviewed at least once every six (6) years. The Council may also conduct a review of this policy at any time:
  - a. following changes to relevant legislation which relates to rating; and
  - b. at its sole discretion.

