

Rates Remission Policy

Kaupapa Here mō te Whakahekenga Reiti

Introduction

The Local Government Act 2002 (sections 102(3) and 109) enables Council to adopt a rates remission policy. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy generally supports the principles, as it enables the remission of rates:

- on land owned by Māori where the criteria are met
- for Kaumātua housing where the criteria are met
- for rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected.

It does not, however, apply to Māori freehold land, as such land is considered and dealt with under Council's Policy on the remission and postponement of rates on Māori freehold land.

The Nelson City Council has decided to remit all or part of the rates on properties covered by this Remission Policy.

General provisions for the remission of rates

The policy shall apply to such ratepayers and organisations as approved by Council who meet the relevant criteria. Council may delegate the power to approve rates remission to Council Officers under section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to the amount eligible for the rates remission.

Rates remission will be provided for the following categories of rating units or under the following circumstances:

Rates remission for community, sporting and other organisations

Objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to achieve following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people and economically disadvantaged people.

Conditions and criteria

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide for at least one of the following: the public, recreation, health, enjoyment, instruction, sport or any form of culture, or for the improving or developing of amenities, where the provisions of any one of these areas is to the benefit of the city. A remission under this policy must be in the organisation's name and the rating unit must be fully occupied by the ratepayer.

The following information should be included in support of an application:

- Evidence that other areas of assistance have been investigated if available
- That there is a need for assistance
- That there has been a reasonable effort made to meet the need by the organisation itself
- The organisation's most recent financial accounts.

Procedure

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required.

Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on the general rate. The remission is 50% of the general rate.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rate remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Rates remission for provision of social and Kaumātua housing

Objective

To facilitate the ongoing provision of social and Kaumātua¹ housing.

The purpose of granting rates remission to an organisation is to achieve the following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such

¹ Kaumātua housing means the use and occupancy of multiple-owned land for residential units and other buildings and uses necessary to assist kaumātua and their support whānau to live on land holdings such as papakāinga or marae communities

organisations

- Assist the organisation's survival
- Facilitate the ongoing provision of social housing in Nelson by registered Community Housing Providers
- Facilitate provision of Kaumātua housing e.g. at Whakatū Marae.

Conditions and criteria

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide social housing to the benefit of the city. A remission under this policy must be in the organisations name.

For Social Housing Providers the following information is required:

- Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority
- Evidence that the property for which rates remission is sought is used for social housing and/or affordable rental housing, and is neither vacant nor commercial property
- A copy of the organisation's current Rules or Constitution that sets out the purpose of the organisation
- The Social Housing Provider's most recent financial accounts.

For Kaumātua housing providers the following information is required:

- A copy of the most recent financial accounts for the Kaumātua housing.

Procedure

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required.

Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on the general rate and the Storm Recovery Charge. The remission is 50% of the general rate and 50% of the Storm Recovery Charge.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rates remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Remission of penalties

Objective

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date, due to circumstances outside the ratepayer's control. Remission will be made when any of the following criteria applies:

Conditions and criteria

- Where there exists a history of regular punctual payment over the previous 12 months and payment is made within a reasonable time of the ratepayer being made aware of the non-payment
- When the rates instalment was issued in the name of a previous property owner
- On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment
- Where it can be proved that the rate account was not received and a genuine cause exists
- Where full payment of arrears of rates is made in accordance with an agreed repayment programme
- Where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.

Procedure

The ratepayer must apply to the Council for a remission within 6 months of the penalty being applied.

In implementing this policy, the circumstances of each case will be taken into consideration on their individual merits and will be conditional upon the full amount of such rates due having been paid.

Decisions on remission of penalties are delegated to officers as set out in Council's delegations register.

Rates remission for residential properties in commercial/industrial areas subject to Council-initiated zone changes²

Objective

To ensure that owners of residential rating units situated in non-residential areas are not unduly penalised by the zoning decisions of the Council.

Conditions and criteria

To qualify for remission under this part of the policy the rating unit must be:

² Note: this remission will not apply to land subject to private plan changes.

- Situated within an area of land that has been zoned for commercial or industrial use through a Council-initiated zone change
- The effect of the zone change is that the land value of the rating unit increases and as a consequence the rates payable in respect of the rating unit also increase
- Listed as a 'residential' property for differential rating purposes
- Is not being used for commercial or industrial purposes and was not being used for such purposes immediately prior to the zone change being initiated by the Council
- The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as a result of the zone change.

The remission of rates on a rating unit will cease, as from the next rating year commencing 1 July, upon any of the following events happening:

- The death of the ratepayer
- The ratepayer ceasing to be the owner of the rating unit.

Procedure

The ratepayer must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. Remission is granted only in respect of those parts of the rates that are based on land value. The extent and duration of any remission shall be determined by the Council.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

Rates remission on land protected for natural, historical or cultural conservation purposes

Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land held for natural, historical or cultural purposes.

Conditions and criteria

Ratepayers who own rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act, and is liable only for rates for water supply or sewage disposal will not qualify for remission under this part of the policy.

Procedure

Applications must be made in writing and be supported by documented evidence of the

protected status of the rating unit, for example a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- The extent to which the preservation of natural heritage will be promoted by granting remission on rates on the rating unit
- The degree to which features of natural heritage are present on the land
- The degree to which features of natural heritage inhibit the economic use of the land
- The use of the property.

In granting remissions under this policy, the Council may specify certain conditions before a remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated. Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

The remission is 50% of the general rate.

Remission of charges for excess water arising from leaks

Credits for excess water charges arising from the following will always be processed:

- Misreading of the meter or faulty meter
- Errors in data processing
- The meter was assigned to the wrong account
- Leak on a Council fitting adversely impacting on the metered usage.

Other Conditions and Criteria include:

- Leaks from pipes or fittings on farms³, public service, educational, social service properties and unoccupied⁴ properties (regardless of temporary or long term) or reserves, or from irrigation, stock water, swimming pools, ponds, landscaping or similar systems on occupied properties. No credit
- Leaks from pipes that are, or should be, visible, such as header tanks, overflows from toilets, above ground pipes or fittings and those attached to raised flooring or in walls or ceilings. No credit
- Where the leak is a previously unknown underground leak on the main lateral between the water meter and a building or under the concrete floor. The lost water is credited where the leak has been repaired with due diligence. Only

³ For the purpose of assessing credits for excess water arising from leaks "farm" is defined as any property that is or can be used for the growing of crops, including trees or rearing of livestock, with a land area greater than 5000 square metres.

⁴ Unoccupied is taken to mean where there is no permanent building on the property or where the building is not occupied for more than seven days.

one leak per property, and maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited

- Due diligence is defined as within two weeks of the earliest of the following:
 - the date of the first invoice to identify a higher than usual⁵ usage; or
 - the date of discovery or when it could have reasonably been discovered
- The leak must be repaired by a Licensed or Certifying plumber who provides a brief report on the leak, where on the line the leak was found, dates and an opinion, as to how long the leak had been occurring.

Procedure

The ratepayer must apply to the Council for a remission within a year of the first reading which is the subject of the application.

Residential water leak credits will be based on Council's assessment of the property owner's usual usage for the period. Council may grant a water leak credit remission of up to 100% of the extra water used above Council's assessment of the usual water usage.

Commercial/industrial water leak credits will be based on Council's assessment of the property owner's usual usage for the period. Council may grant a water leak credit remission of up to 50% of the extra water used above Council's assessment of the usual water usage. If the water has not entered the wastewater network, Trade Waste will also be credited.

In extraordinary circumstances which fall outside the criteria above, a remission may be granted at the sole discretion of the Council's Group Manager Corporate Services. This may apply where a water credit remission application has been declined, and where this could lead to cases of genuine financial hardship for the ratepayer (owner/occupier), or where timely detection of a leak could not have reasonably occurred.

Remission of rates on golf practice greens

Objective

To provide a measure of relief, by way of remission of rates, to enable the Council to act fairly and reasonably in its consideration of rates charged on golf practice greens.

Conditions and criteria

- Land that is leased and used as a golf 'practice green'.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

⁵ Usual being the amount used in the same period as last year. These amounts are shown on every water account.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. The remission is 50% of the general rate.

Remission of rates on low valued properties

The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation and rating assessment. This has resulted in many low land value assessments being created for small parcels of land.

Objective

To minimise Council's administration costs of collecting rates on properties that are low-valued.

Conditions and criteria

- a. Assessments with common ownership, used jointly as a single unit and for which only one uniform annual general charge is payable
- b. The low land value will be reviewed annually and set by Council resolution.

Procedure

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. The remission is 100% of all rates.

Rates remission for land affected by natural calamity

Objective

To permit the Council, at its discretion, to remit part or whole of the rates charged on any land that has been detrimentally affected by natural calamity, such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

Conditions and criteria

The Council may remit wholly, or in part, any rate or charge made and levied in respect of the land, if:

- Land is detrimentally affected by natural calamity such as erosion, subsidence, submersion or earthquake and:
 - a. as a result dwellings or buildings previously habitable were made uninhabitable; or
 - b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued
- The remission may be for such period of time as the Council determines, acting reasonably. Without limiting the Council's discretion, the timeframe for remission will typically commence from the date upon which the Council determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity for which they were used prior to the calamity, and end on the earlier of, the date that is 5 years after the commencement date, or the date that the land and/or buildings are deemed by

the Council, acting reasonably, to be able to become habitable or available for use

- In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply, Council may take into account:
 - a. whether essential services such as water, sewerage or refuse collection to any dwelling or building are able to be provided; and
 - b. whether any part of the building or land remains habitable or available for use
- Rates remission will not apply to any part of a rate that is levied as a user pays charge
- Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion might allow.

Procedure

The ratepayer must apply to the Council for a remission within 6 months from the date of the event.

Each natural calamity event will be considered for rates remission on a case by case basis by Council.

The extent of any remission shall be determined by the Council or its delegated officer(s).

Remission of rates for households with dependent relatives housed in an additional unit

Objective

To provide financial relief for households where a dependent adult relative is housed in an additional unit, so they are not unfairly burdened by the payment of rates on the second unit.

Conditions and criteria

To qualify for remission under this part of the policy, the second unit must be continuously occupied by the dependent relative, and:

- The ratepayer must apply to the Council for remission of rates on the second unit
- The applicant must confirm that the relative is dependent on the ratepayer
- If the unit is no longer occupied by the dependent relative, the householder must inform the Council within three months. Any change would apply from 1 July for the next rating year
- The rates remission is for one year, at which time the ratepayer must reapply for the remission of rates on the second unit.

Providing these conditions and criteria are met by the applicant, the uniform charges for wastewater and the uniform annual general charge will not be charged against the second unit.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Remission of rates on separately used or inhabited parts of commercial rating units less than 20m²

Objective

To provide relief from uniform annual general charges and wastewater charges for very small separately used or inhabited parts of commercial rating units (i.e. those less than 20m² floor area) where the effect of multiple uniform annual general charges and wastewater charges creates a significant financial impediment to economic use of the separately used or inhabited parts and where the Council considers that it is equitable to do so.

Conditions and criteria

The uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of a commercial rating unit that has a floor area of less than 20m² may be remitted where the following criteria are met:

- The separately used or inhabited part of the commercial rating unit must have a floor area of less than 20m²
- The circumstances of the commercial rating unit must be such that the uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of the rating unit that has a floor area of less than 20m² will render the property uneconomic or are otherwise inequitable.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

- Applications must be made on the prescribed form which can be found via our Customer Service Centre or on our website [Rates Remission - Commercial Rating Units Less Than 20m².doc](#)
- Applications must include detailed information explaining how the property meets the conditions and criteria under this policy
- Application will not be accepted for prior years
- Any rates remission will be granted for one year only following which the ratepayer may make a new application for the remission of rates for any following year so long as the conditions and criteria are still met
- Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 102 and 109 of the Local Government Act 2002, and section 85 of the Local Government (Rating) Act 2002

Approved by: Council 27 June 2024