

Rate remission and postponement policies

Council's Rates Remission Policy has three heads; General Remissions Policy, Policy on Remissions and Postponement and Rates Remissions Policy for Economic Development. There are objectives, conditions and criteria specific to each head.

1. General Remissions Policy

In addition to mandatory remissions under Part 1 of Schedule One of the Local Government (Rating) Act 2002, it is Council policy to grant a 30% remission on all rates and uniform charges levied on:

- a. land owned or occupied by or in trust for any society or association of persons, whether Incorporated or not, and used principally for games or sports other than racing, trotting and dog racing (First Schedule, Part 2, clause 2)
- b. land owned, or occupied by, or in trust for, any society or association or persons, whether incorporated or not, whose object, or principal object, or one of whose principal objects, is to promote generally the arts, or any purpose of recreation, health, education or instruction, for the benefit of residents or any group or groups of residents of the district.

The schedules for categories of non-rateable land which are fully non-rateable and those categories which are 50% non-rateable are found in Schedule One of the Local Government (Rating) Act 2002.

2. Policy on Remission or Postponement

OBJECTIVE

To enable the Council to act fairly and reasonably when rates have not been received by the due date.

CONDITIONS AND CRITERIA

1. Upon receipt of an application by a ratepayer, or if identified by the Council, Council may remit or postpone rates or penalties where it is demonstrated that the rates or penalty has been levied because of an error by the Council.
2. Upon receipt of an application from the ratepayer, and subject to the qualification below, the Council may remit a penalty where:
 - a. the ratepayer has a two-year history of regular payment of rates or can demonstrate that the delay in payment is due to an extraordinary circumstanceOR
 - b. the ratepayer has entered into an agreement with the Council for the payment of rate arrears, and that agreement is being complied withOR
 - c. the ratepayer has set up automatic payments set at such a level that the annual rates are paid over the financial year.

3. Upon receipt of an application by a ratepayer, or if identified by the Council, Council may postpone rates or penalties where it is demonstrated that the rates or penalty that have been levied are causing extreme financial hardship to the ratepayer.

Applications under these criteria will generally only be considered when applicants:

- a. are unable to pay their rates because of personal circumstances
- b. have tried all other avenues to fund their rates
- c. have no significant assets
- d. are prepared to receive a legal charge to the Council over the property.

DECISIONS

Decisions on the remission or postponement of rates and penalties are delegated to Council Officers. All delegations are recorded in the Council's Delegation Manual.

3. Rates Remissions Policy for Economic Development

This section of the policy is divided into three categories; Business Development, Strategic Economic Projects, and Subdivisions. These categories share the objectives of this section of the policy but have separate conditions and criteria.

OBJECTIVES

To promote employment and economic development within the city by offering rates remission to:

- a. assist new businesses to become established in the city
- b. assist existing businesses in the city to expand and grow
- c. [assist in the establishment of significant initiatives which are of strategic economic value to the city](#)
- d. Assist developers of sub-divisions.

BUSINESS DEVELOPMENT

Conditions and criteria

This category of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

In considering applications for remission Council will have regard to the extent applications meet the following guidelines:

1. The development is of importance for the future economic development of the city. This may be demonstrated by the scale, type or nature of the development.
2. The number of new employment opportunities the development will create. Generally development would be expected to create a minimum number of new full-time equivalent jobs (as defined in the Funding Impact Statement* of Council's current Annual Plan).

3. The amount of new capital investment the development will bring into the city. The amount of new investment should be not less than a minimum amount (as defined in the Funding Impact Statement* of Council's current Annual Plan) unless the business falls within the criteria identified below. Consideration will be given to the extent that the new development would increase the rating base.

Council may be willing to consider cases where the business does not meet the guidelines as outlined above, when the development is of importance for the future economic development of the city and any of the following may apply:

1. The business demonstrates a long term commitment to remain and operate in the city. Property ownership, or a long-term lease of property, may be accepted as a proof of commitment.
2. The development protects or retains cultural aspects of the city e.g. maintains and protects a heritage building.
3. The development adds new and/or visually attractive infrastructure/buildings to the city.
4. It is likely that any remission granted would provide encouragement or impetus to proceed with the development.

The presentation of any such applications to Council will be at the discretion of the Chief Executive and Director of Business Development Services.

The discretion of Council will apply in every case and simply meeting the criteria does not create any entitlement to rates relief.

STRATEGIC ECONOMIC PROJECTS

Conditions and criteria

This category of the policy applies to large, complex projects. They will be of a similar or greater scale to developments considered under the Business Development category. Projects in this category will generally involve multiple parties plus significant initial financial commitments and will not immediately achieve financial self-sufficiency.

In considering applications for remission the Council will have regard to the extent applications meet the following guidelines:

1. The project will make an ongoing strategic economic contribution to the city.
2. The project will create new and ongoing employment opportunities.
3. The project will bring new capital investment to the city.
4. The project will provide a point of difference for the city.

The presentation of any such application to the Council will be at the discretion of the Chief Executive. All applications will require Council approval.

The discretion of the Council will apply in every case and simply meeting the criteria does not create any entitlement to rates remission. The Council at its absolute discretion will determine the amount, type and duration of any rates remission granted and may impose such additional or special conditions as it make think fit in any particular case.

SUBDIVISIONS

Rate remissions for this category will be granted by the Director of Corporate Services in accordance with their delegation and the Chief Executive will have delegated authority to determine questions of Policy interpretation if they arise.

A remission under this category is of the general rates only and will be applied to the Lot or Lots identified in accordance with the formula in the Funding Impact Statement. Under this Policy Lot means an interest in land, created by a subdivision, which will have a new computer register issued for it. However, it is not an interest in land that is amalgamated with another Lot so that it does not have a separate computer register and therefore is not an “additional Lot”.

Once granted, a remission will be effective from 1 July following its grant.

The maximum duration of a remission will be the maximum number of rating years as defined in the Funding Impact Statement or when the Lot receiving the remission is sold, whichever is the sooner.

A remission may be transferred with Council’s consent.

Conditions and criteria

1. This section of the policy applies to a developer of a sub-division; subdivision is defined in the Funding Impact Statement.
2. At least one Lot must be bare land, as defined in the Funding Impact Statement.
3. In considering a subdivision for remission Council will determine whether it meets all the following criteria:
 - a. It complies with the policy, conditions and criteria in paragraphs 1 and 2 above, and
 - b. It is a subdivision as defined in the Funding Impact Statement, and
 - c. That all of Council’s fees and charges in respect of the resource consent for the subdivision are paid.