

# **Rates Remission Policy**

**27 June 2018**

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## PURPOSE

The purpose of the Rates Remission Policy is to state the circumstances where Masterton District Council (MDC) will consider a rates reduction.

## SCOPE

This policy does not apply to Māori freehold land. Refer to the Rates Remission and Postponement on Māori Freehold Land Policy.

## RATES REMISSION

MDC will apply rates remissions for the rating units or circumstances detailed in the table below, if the conditions described within this policy are met.

Ratepayers seeking remission should apply in writing, taking into account the relevant conditions and criteria. Approved remissions will be effective from the rating year immediately after the year in which application is made.

No.	Rating Unit/Circumstance	Remission
1	Public and community halls	100% of the total rates levied
2	Properties used for sporting, games and branches of the arts	50% of the total rates levied
3	Properties used by charitable, community care and volunteer organisations	50% of the total rates levied
4	Churches and places of religious worship	50% of the water and sewer rates
5	Properties protected for natural, historical or cultural conservation purposes	100% of the total rates levied
6	Rate penalties	100% remission
7	Targeted Annual Charges on non-contiguous units owned by the same owner	100% remission
8	Targeted Annual Charges on subdivisions where the unsold lots remain in common ownership	100% remission
9	Land value rates on urban properties where the predominant use is farming of the land	50% of land value based rates
10	Targeted Annual Charges on uneconomic-sized land used for power transformers and link strips	50% remission
11	Targeted rates for Opaki Water Race where the race services only part of the property or provides little economic value	50-80% remission
12	Properties affected by natural calamity or disaster events	At MDC's discretion, according to circumstances

## **Community Halls, Community Care Organisations, Sporting, Branches of the Arts or Volunteer Organisations**

### Objective

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services, and non-commercial recreational opportunities for the residents of Masterton.

The purpose of granting rates remission to an organisation is to:

- recognise the public good contribution made by such organisations;
- assist the organisation's survival; and
- 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

The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community care purposes. The policy does not apply to organisations operated for financial profit.

The policy does 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.

Organisations making application should include the following documents in support of their application:

- statement of objectives;
- information on activities and programmes; and
- details of membership or clients.

### Remission

Refer categories 1,2 and 3 in the table above.

## **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 for natural, historic or cultural purposes.

### Conditions and Criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which 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 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.

Applications should 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, MDC will consider the following criteria:

- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit;
- the degree to which feature of natural, cultural and historic heritage are present on the land; and
- the degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.

#### Remission

Refer category 5 in the table above.

### **Penalties**

#### Objective

The remission of penalties is to allow MDC to act fairly and reasonably in its consideration of rates which have not been received by the penalty date, due to circumstances outside the ratepayer's control.

#### Conditions and Criteria

Remission of the penalty will be granted if the ratepayer, by written explanation, satisfies MDC that the late payment was due to circumstances outside the ratepayer's control.

Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so.

Remission of penalties can apply in cases where ratepayers are in arrears with their rates, but have made an arrangement which is acceptable to the MDC, for the payment of the current year's rates together with progressive reduction in the level of arrears. Penalties incurred during the term of the arrangement can be remitted once the rates are back up to date.

Remission of a penalty will be granted if the ratepayer is able to prove a good payment history. The test for this will be no other late payment within the preceding 24 month period.

Remission of instalment penalties will apply automatically for those ratepayers where direct debit arrangements are in place and penalties are triggered because the full instalment is not cleared until after the penalty date. The value of these penalties and remissions will be reported separately.

Remission of penalty will be granted where MDC has been instrumental in causing the late payment.

#### Remission

Refer category 6 in the table above.

### **Targeted Uniform Charges on Non-Contiguous Rating Units Owned by the Same Ratepayer**

#### Objective

The remission of targeted uniform charges is to provide relief for rural land which is non-contiguous but farmed as a single entity and owned and occupied by the same ratepayer.

#### Conditions and Criteria

Ratepayers who own and occupy two or more separate rating units (and who do not qualify to be treated as one rating unit pursuant to Section 20 of the Local Government (Rating) Act 2002) who apply in writing, are entitled to have Targeted Uniform Charges reduced for qualifying properties. To qualify, the additional qualifying properties cannot have residential dwellings situated on them. All

ratepayers will pay at least one full targeted uniform charge and then half charges for additional qualifying properties.

The separate rating units can be no more than five kilometres apart.

#### Remission

Refer category 7 in the table above.

Any applicant must be paying at least one full targeted uniform charge and one full targeted roading charge on one of the rating units involved in the farming operation.

Additional rating units involved in the farming operation will be charged half (50%) of the targeted uniform and roading charges in respect of each additional rating unit.

### **Targeted uniform charges on Contiguous Rating Units in a Subdivision Owned by the Same Ratepayer**

#### Objective

The remission of all but one targeted uniform charge and one targeted roading charge is to provide relief for urban or rural residential land which is newly developed and still owned by the developer/ ratepayer.

#### Conditions and Criteria

Ratepayers who own and occupy two or more separate rating units (and who do not qualify to be treated as one rating unit pursuant to Section 20 of the Local Government (Rating) Act 2002), who apply in writing, are entitled to have targeted uniform charges reduced for qualifying properties. All ratepayers will pay at least one full targeted uniform charge.

#### Remission

Refer category 8 in the table above.

The applicant/owner must be paying at least one full targeted uniform charge and one full roading charge on one of the rating units included in the subdivision. The remainder of the targeted uniform charges will be remitted under this policy.

### **Land Value Rates on Urban Land Used Predominantly for Farming Purposes**

#### Objective

The remission of land value rates is to provide relief for urban land which is used predominately for farming use, and where farming includes pastoral, horticulture and viticulture use. This rates remission is intended to align land value rates paid for this category of land closer to rural rates.

#### Conditions and Criteria

Ratepayers who own and occupy land inside the urban rating area and who utilise that land predominantly for farming purposes may qualify for this remission.

The farmed area must be more than 2000 sq metres and make up at least 75% of the area of the rating unit.

#### Remission

Refer category 9 in the table above.

## **Uniform Charges on Rating Units Where the Small Size Restricts the Use**

### Objective

The remission of uniform charges is to provide relief for land such as transformer sites and link strips which are too small to sustain a dwelling or other economic use.

### Conditions and Criteria

Ratepayers who own a separate rating unit which is utilised for the purposes of a transformer site or a link strip.

Other uses will be considered under this policy but applicants will be required to prove that the small size of the rating unit makes it uneconomic to utilise for any other purpose.

### Remission

Refer category 10 in the table above.

## **Water Race Rates on Rating Units Receiving Service to Part of the Property or Uneconomic Use**

MDC will provide rates remissions on water race rates (Opaki Water Race) on rating units considered to have only part of the land value serviced or the unit is too small to make economic use of the water race.

### Objective

The remission of the land value rate is to provide relief for land receiving service to only a small part of the property, or the service provides little economic benefit (eg small holdings).

### Conditions and Criteria

Ratepayers who own a rural property serviced by a water race, but the race only runs through a small portion of the land (less than 30%).

Ratepayers who own a rural property serviced by a water race, but their property is too small to gain any economic benefit from the use of the water race. This is generally small holdings or lifestyle blocks.

### Remission

Refer category 11 in the table above.

The remission rate will depend on the extent of the property that is not serviced or receives little economic benefit.

## **Property affected by Natural Calamity**

### Objective

The natural disaster remission allows MDC, at its discretion, to remit part or all of the rates on any land that has been affected by natural calamity such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

### Conditions and Criteria

To qualify for consideration for a rates remission under this part of the policy, a rating unit or part thereof must be detrimentally affected by a natural calamity event such as a flood, storm, earthquake, subsidence; and as a result:

- dwellings or buildings previously habitable were made uninhabitable; or
- the activity for which the land and/or buildings were used prior to the calamity is incapable of normal use by the ratepayer for a certain period.

Rates remission under this section will only be considered following 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 MDC in its sole discretion might allow.

### Remission

Refer category 12 in the table above.

Each natural calamity event will be considered on its merits, on a case by case basis. The extent of the remission will be determined by the Council and its delegated staff.

The remission may be for such a period of time as MDC considers reasonable, commencing from the date upon which MDC determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity they were used prior to the event, up to and limited to the time the MDC determines they become habitable and/or available for use.

## **DELEGATIONS**

The Chief Executive is delegated the authority to exercise all discretions available within this policy. Further delegations are made to the Manager Finance and Revenue Manager as per the table below.

<b>Policy reference</b>	<b>Chief Executive</b>	<b>Manager Finance</b>	<b>Revenue Manager</b>
Community halls, community care, sporting, arts or volunteer organisations	✓	✓	✓
Land protected for natural, historical or cultural conservation purposes	✓	✓	✓
Remission of penalties – on current instalments or levied in current year	✓	✓	✓
Uniform Charges on non-contiguous rating units	✓	✓	✓
Uniform Charges on contiguous rating units in a sub-division	✓	✓	
Land value rates on urban land used predominantly for farming purposes.	✓	✓	✓
Uniform Charges on 'uneconomic' small rating units	✓	✓	
Land value water race rates – part serviced	✓	✓	
Land or property affected by a natural disaster or calamity event (Council and CE)	✓		

## **REVIEW OF POLICY**

This policy will be reviewed every three years as part of the preparation of each Long Term Plan.

## **RELATED DOCUMENTS**

Rates Postponement Policy

## **REFERENCES**

Local Government Act 2002



## VERSION CONTROL

Date	Summary of Amendments	Approved By
2015	Reviewed as part of the 2015-25 Long-Term Plan development.	Masterton District Council
27/6/18	Reviewed as part of the 2018-28 Long-Term Plan development.	Masterton District Council