

Rates Policy

1. Purpose

- 1.1. The Local Government Act 2002 and Local Government (Rating) Act 2002 allow the Council to provide rates relief in the form of rates remission, rates postponement and discount for the early payment of rates.
- 1.2. The purpose of this policy is to outline the situations where the Council will provide rates relief to support the fairness and equity of the rating system or enhance the overall wellbeing of the Community.

2. Scope

- 2.1. This policy covers:
 - Discount for the early payment of rates
 - Rates postponement policy
 - Rates remission policy
 - The policy on Remission and Postponement of Rates on Māori Freehold Land.

3. Overall Policy Objectives

- 3.1. The specific objectives for each individual policy are set out in this document. This section sets out the overall objectives the Council wants to achieve with its Rates Policy, which are to:
 - 3.1.1. Encourage the early payment of rates by providing a financial incentive (discount) to ratepayers who pay their rates in full early, thereby increasing cash flow at the start of the financial year and reducing the processing and delivery cost of future instalments.
 - 3.1.2. Allow rates postponement as a tool to provide rates relief to deal with temporary adverse circumstances or hardship by delaying the payment of some or all of the rates to a future agreed date.
 - 3.1.3. Define situations where the Council will remit (waive) rates to promote equity or deal with inconsistencies in the rating system.
 - 3.1.4. Support the principles set out in the preamble to Te Ture Whenua Māori Act 1993 (noted below) by enabling the owners of Māori freehold land to occupy and make choices regarding the future use, purpose and development of their land in a way that is not impeded by the accumulation of rates arrears. Conservation activities are also supported by rates remission when land is set aside for this purpose.

“Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga 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 whanau, and their hapu, and to protect wahi tapu:

and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu: 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.”

4. Discount for the early payment of rates in the current financial year (under section 55 of the Local Government (Rating) Act 2002)

4.1. Objective

4.1.1. To encourage ratepayers to pay their rates early and in one sum so as to minimise the Council’s processing and delivery costs and improve cash flow.

4.2. Criteria and Conditions

4.2.1. A discount of 4% of the rates listed in 4.2.2 will be allowed if the total rates assessed for the current year and all rates arrears, including rates collected on behalf of Environment Canterbury, are paid in full by the penalty date of the first instalment in the current year; or where an extended date for payment has been granted, on or before the extended date.

4.2.2. Rates that are subject to the discount are the Waimakariri District Council General Rate and Uniform Annual General Charge, Roothing Rates, Community Parks and Reserves, Buildings and Grants Rates, Pegasus Services Rate, Community Library and Museums Rate, Community Swimming Pools Rate, Canterbury Museum Operational Levy Rate and Canterbury Museum Development Levy Rate.

5. Rates Postponement Policy (under section 110 of the Local Government Act 2002)

5.1. Section 87 of the Local Government (Rating) Act 2002 provides that the Council must postpone the requirement to pay all or part of the rates on a rating unit if it has adopted a rates postponement policy under Section 102(3)(b) of the Local Government Act 2002; the ratepayer has applied in writing for a postponement; and the Council is satisfied that the conditions and criteria in the policy are met.

5.2. Sections 88-90 of the Local Government (Rating) Act 2002 contain further provisions regarding rates postponement including the ability to add a fee to postponed rates, how postponed rates must be recorded and that postponed rates may be registered as a charge on a property.

5.3. The Rates Postponement Policy comprises:

- Rates postponement in cases of Financial Hardship
- Rates postponement on Land Affected by Natural Calamity
- Rates postponement on Land Affected by a Change in District Plan Zoning.

5.4. Extreme Financial Hardship

5.4.1. Where ratepayers experience serious financial hardship and are unable to pay their rates, the Council’s priority is to work with them on an agreed payment plan to bring the rates up to date.

5.4.2. If the hardship is temporary, rates postponement can remove the immediate financial stress. This delays rather than extinguishes the obligation to pay and over time reduces the owner’s equity in the property therefore rates postponement is an option that is used sparingly.

5.4.3. **Objective**

To provide relief to ratepayers who are experiencing extreme financial hardship.

5.4.4. **Criteria and Conditions**

1. Rates will be postponed if the Council is satisfied after full inquiry that extreme financial hardship exists.
2. When considering whether rates postponement will be granted, consideration will be given to:
 - All of the ratepayer's personal circumstances including background to the ratepayer's situation
 - The likely period before the ratepayer's position could be expected to improve
 - The potential for the ratepayer's situation to deteriorate further
 - Any report from a budget adviser, if requested.
3. Wherever possible, rates postponement on the grounds of hardship will be for a finite period, and a payment plan shall be set up to clear the debt within this time.
4. If the rates are postponed, the ratepayer will be required to pay annually an amount equivalent to the maximum government rates rebate available for that year.
5. Other than in extraordinary circumstances, postponement will only be considered for rating units that are used as the residence of the applicant. If the postponement is for other than a residential rating unit, rates will be postponed for a finite period not exceeding five (5) years.
6. A postponement fee will be charged calculated on the average opening and closing balances for the period at an interest rate equal to the Council's weighted average cost of funds.

5.5. **Land that has been detrimentally affected by a natural calamity**

5.5.1. Occasionally events occur that are outside human control, such as a natural disaster, where damage occurs to property that was unforeseen at the start of the rating year.

5.5.2. The Government may pass legislation that enables the Council to provide rates relief, as occurred in 2010/11 with the Canterbury Earthquakes. In other circumstances this policy will ensure that the Council is able to respond quickly to offer rates postponement where appropriate.

5.5.3. **Objective**

To provide relief where a rating unit has been detrimentally affected by a natural calamity where the Council believes that hardship exists or would be caused by non-postponement of the whole or part of the rates.

5.5.4. **Criteria and Conditions**

1. When considering whether rates postponement will be granted, whether in part or in full, consideration will be given to:
 - The nature and severity of the event
 - The degree of damage to the subject land and other land in the District
 - Other financial assistance available
 - The effect of rates postponement on the remaining rating base and the ability of the Council to fund rates postponement.

2. Notwithstanding 5.7.5 below, rates postponed on land affected by a natural calamity will become payable when the land is restored to a useable state or the future of the land is otherwise determined.

5.6. Land subject to a District Plan zone change

5.6.1. Where business and residential areas expand into rural land, the value of land can increase at a rate greater than other rural land due to its potential for residential or business development. This can lead to inequity in rating where land is valued for its potential use rather than actual use.

5.6.2. Objective

To provide temporary rates relief to land impacted by an increase in rating valuation due to a change in District Plan Zoning or inclusion in a future development area, where the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential or business purposes.

To preserve uniformity and equitable relativity with a comparable rating unit elsewhere in a rural zone in that part of the District where the rating valuation does not contain any "potential" value.

5.6.3. Criteria and Conditions

1. To qualify for postponement under this policy, the Council must be satisfied that the rating unit is situated in an area that has recently been rezoned or included in a future development area.
2. When considering whether rates postponement will be granted, consideration will be given to:
 - The extent that the rating valuation of the land is attributable to the potential use for residential, commercial or industrial development
 - The status of any resource consent that has been approved on the property
 - The length of time the property has been in the current ownership in relation to the timing of the change in zoning.
3. On approval of an application for rates postponement the Council will request its Valuation Service Provider to issue a special rates postponement value for that rating unit.
4. The rates postponement value will be determined so as to:
 - (a) Exclude any potential value that, at the date of the valuation, the land may have for residential, commercial or industrial development; and
 - (b) Preserve uniformity and equitable relativity with comparable parcels of land, the valuations of which do not contain any such potential value.
5. There is no right of objection to rates postponement values issued under this policy. (The owner still has the right to object to the rating valuation of the property in terms of the Rating Valuations Act 1988.)
6. The amount of rates postponed due to a change in District Plan zoning shall be the difference between the amount of the rates for that period calculated on 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.
7. Notice of the amount of rates postponed shall be entered in the rating records and will be notified with the rates assessment issued in respect of that rating unit.

8. Subject to the rates postponement value remaining in force, rates postponed due to a change in the District Plan zoning will be remitted after five years from the commencement of the rating period in respect of which they were set and assessed, unless the postponed rates become payable in accordance with 5.7.5 of this policy.
9. Where part of the land ceases to qualify for rates postponement, and the balance of the rating unit still meets the criteria of this policy, the Council will require that a part only of the postponed rates will be required to be paid. The part of the postponed rates to be paid will be in proportion to the value of the land that no longer qualifies for rates postponement.

5.7. Applications for Postponement and General Criteria and Conditions

- 5.7.1. Applications must be in writing on the prescribed form.
- 5.7.2. Prior to approving an application for postponement of rates under this policy, the Council will require evidence that:
 - The applicant has had access to independent financial advice and understands the effects of rates postponement on their equity in the property
 - All joint property owners agree to rates postponement
 - Where there is a mortgage on the property, the mortgagee agrees to rates postponement.
- 5.7.3. The Council will require annual confirmation that any dwelling or other improvements on land where rates postponement is in place is fully insured.
- 5.7.4. Rates postponement will apply from the beginning of the rating year in which the application is made, although the amount postponed may include arrears from previous years.
- 5.7.5. Postponed rates will become payable on the earliest of the following dates:
 - The interest of the person who was the ratepayer at the date on which the rates postponement was approved becoming vested in another person other than:
 - (a) The ratepayer's spouse or de facto partner, or former spouse or de facto partner; or
 - (b) The executor or administrator of the ratepayer's estate; or
 - (c) Where the ratepayer was the proprietor of the interest as a trustee, the new trustee under the trust
 - The rating unit is subdivided, changes use or is sold
 - At a date specified by the Council at the time the application is approved
 - In the event of a change in the ratepayer's circumstances, on written notice by the Council.
- 5.7.6. Penalty charges (pursuant to section 57 and 58 of the Local Government (Rating) Act 2002) will not be added to postponed rates.
- 5.7.7. The amount of rates postponed, including postponement fees where applicable, will be secured by a Statutory Land Charge on the Record of Title of the Rating Unit.
- 5.7.8. The administrative cost of setting up the postponement including any costs of registering, updating or releasing the charge on the Record of Title will be met by the applicant at the time the application is approved or added to the amount postponed.

- 5.7.9. Where a rates postponement arrangement is in place, the Council will send an annual statement at the start of each rating year showing:
- The total amount of postponed rates
 - The interest rate charged for the year
 - Accrued interest
 - Any fees charged during the year.
- 5.7.10. The amount of rates postponed will be reported annually to the Audit and Risk Committee.

6. Rates Remission Policy (under section 109 of the Local Government Act 2002)

6.1. Introduction

- 6.1.1. The Council may waive the requirement to pay rates only where it has a rates remission policy in place that authorises the waiver.
- 6.1.2. Section 102(3)(a) of the Local Government (Rating) Act 2002 provides that the Council may adopt a Rates Remission Policy. Section 109 outlines what a remission policy should contain, and section 109(2A) requires that any remission policy must be reviewed at least once every six years.
- 6.1.3. Section 102(2)(e) of the Local Government Act 2002 requires the Council to have a policy for the remission and postponement of rates on Māori Freehold Land.
- 6.1.4. Sections 85-86 of the Local Government (Rating) Act 2002 allows the Council to remit rates if it has a policy to do so, and the conditions of the policy are met.
- 6.1.5. The Rates Remission Policy comprises:
- Remission of Rates Penalty charges
 - Remission on Dwellings in commercial zones
 - Remission on Targeted rates for water and sewer on subdivided sections
 - Remission on Land affected by natural calamity
 - Remission on Properties damaged by a natural disaster
 - Remission on Unclaimed or abandoned land parcels
 - Remission in Miscellaneous circumstances
 - Remission of Fixed charges on rating units used jointly as a single unit
 - Remission of Postponed rates
 - Remission of Eastern Districts Sewer rates (incorporating remission for sewer pan rates for schools, churches and non-profit organisations)
 - Remission on Land used as a link strip
 - Remission and Postponement of Rates on Māori Freehold Land

6.2. Rates Penalty Charges

- 6.2.1. The Council may by resolution add a penalty not exceeding 10% to rates that are unpaid after the penalty date and a second penalty on rates arrears that remain owing in subsequent financial years.
- 6.2.2. Circumstances can arise where it is fair and reasonable to not enforce payment of the penalty and a remission policy provides authority to waive payment of the penalty.

6.2.3. **Objective**

To enable the Council to remit rates penalty charges where it is considered fair and equitable to do so.

To manage the level of rates penalty arrears on multiple-owned Māori land and reduce the rates provision for doubtful debts.

6.2.4. **Criteria and Conditions**

Penalty charges will be remitted:

- Where the penalty has been incurred as the result of a Council error
- In other circumstances on receipt of a written application, an instalment penalty may be remitted where the rates are brought up to date and no penalty charges have been remitted in the last two years (other than due to Council error)
- As part of an approved payment plan to clear rates arrears over an agreed period
- Arrears penalty charges will be remitted on multiple-owned Māori freehold land where the current year's rates are being paid, or are remitted under the Council's policy for Remission of Rates on Māori Freehold Land
- In other circumstances if the Council believes it would be fair and equitable to grant a penalty remission.

6.3. **Dwellings in commercial zones**

6.3.1. Where business areas expand and develop into previously residential land, the value of property can increase at a rate greater than other surrounding residential land due to its potential business use.

6.3.2. This policy provides rates relief to properties where the residential use continues and the Council is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for business purposes.

6.3.3. **Objective**

To achieve equity with a comparable rating unit elsewhere in a residential zone in that part of the District where following a change in zoning, a residential dwelling is impacted by an increase in rating valuation due to the potential use to which the land may be put for commercial, industrial or business purposes.

6.3.4. **Criteria and Conditions**

1. Special rating values will be applied to rating units in commercial, industrial or business zones that are used as the private residential dwelling of the ratepayer where in the opinion of the Council's Valuation Service Provider the rateable value of the rating unit has been inflated due to the zoning of the property.
2. Applications received during a rating year will apply from the start of that rating year. Remissions will not be backdated to previous rating years.
3. Where a property is identified as meeting the criteria in clause 1 of 6.3.4, the Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in a residential zone in that part of the District.
4. There is no right of objection to rates postponement values issued under this policy. (The owner still has the right to object to the rating valuation of the property in terms of the Rating Valuations Act 1988.)

5. Remissions will be granted on all rates that are set and assessed on either the land value or capital value of the rating unit. The remission will be the difference between the rates that would have been set and assessed on the rateable values and the rates set and assessed on the special values allocated under this policy.
6. This policy does not apply to commercial accommodation, rented houses or purpose-built residential accommodation in business areas or residences built after the zoning change.

6.4. Targeted rates for water and sewer on subdivided sections

6.4.1. Rates on newly subdivided sections are paid by the developer until the section is sold. Depending on the property market, sales may not occur for several years. The payment of rates for services on multiple sections that are not being used can place a financial burden on a developer, particularly when the developer has funded the installation of services and development contributions and income from section sales is not being realised.

6.4.2. Objective

Provides rates relief to the developer of a subdivision by allowing a remission of the water and sewer targeted rates on sections that have recently been subdivided and not sold.

6.4.3. Criteria and Conditions

1. For newly subdivided sections that are still in the name of the original developer of the subdivision, targeted rates for the operation of water and sewer services will be remitted on all but one section in the subdivision.
2. The remission will apply for the first two rating years after the issue of a Certificate of Title.
3. To avoid doubt, where the same developer owns more than one subdivision, rates are payable on one section in each subdivision to which this remission applies.
4. This remission does not apply to targeted loan rates or to the Ashley water rates collected on behalf of the Hurunui District Council.

6.5. Land Affected by Natural Calamity

6.5.1. Occasionally events occur, such as a natural disaster, outside human control where damage occurs to property that was unforeseen at the start of the rating year.

6.5.2. This policy enables the Council to approve a rates remission where land has been damaged in a natural disaster to an extent where it would be inequitable to require full payment of rates.

6.5.3. Objective

To provide discretion to remit rates where a rating unit has been detrimentally affected by a natural calamity.

6.5.4. Criteria and Conditions

1. Applications must be made in writing on the prescribed form and signed by the owner(s) of the rating unit.
2. Full details must be provided of:
 - The nature of the event that caused the damage and the degree of damage to the land

- If the damage is temporary and the land is expected to return to its previous use in the future, an estimate of the time it will take the land to recover to a useable state
 - The steps that the owner will take to achieve this should be provided
 - The level of assistance from other agencies that may be available.
3. The Council may ask for a report from a registered engineer or other similarly qualified expert.
 4. The amount of remission given in any case will be set by the Council following the event having regard to:
 - The severity of the event and the degree of damage to the subject land and other land in the District
 - Other financial assistance available
 - The effect of rates remissions on the remaining rating base.

6.6. Properties Damaged by Natural Disaster

6.6.1. This policy enables the Council to provide rates relief where buildings are not inhabitable until the property becomes habitable or the improvements are removed and the rates are reassessed on vacant land.

6.6.2. Objective

To provide rates relief where properties have been severely damaged by the Canterbury Earthquakes or other natural disaster to an extent that they are no longer habitable.

6.6.3. Criteria and Conditions

1. Rates set out in the bulleted list below will be remitted on properties that are uninhabitable due to damage caused by natural disaster, until the property becomes habitable or is sold.
2. Remissions will take effect from the rates quarter following approval of the application until the property becomes habitable or is sold.
3. Applications for remissions under this policy are to be made in writing by the property owner and received by the Council within three months of the property becoming uninhabitable. Applications received outside this timeframe may be considered at the discretion of the Council. A separate application is required for each property where remissions are being sought.
4. If the Council has already approved a rates remission for a property under an earlier version of this policy, and the property meets the criteria of this policy, a new application is not required.
5. This remission is not available where residents vacate a habitable property while repairs are carried out.

Rates that will be remitted

- Sewer operating rate
- Water rate
- Kerbside refuse and recycling
- Community parks and reserves buildings and grants rate
- Community library and museums rate
- Community swimming pools rate

- Canterbury Museum operational rate
- Canterbury Museum development levy rate
- Promotion and economic development rate
- Central business area rates

6.7. Unclaimed or Abandoned Land Parcels

6.7.1. There are a small number of rating units in the District that are unclaimed or abandoned. Often this land has been isolated after subdivision or ownership transfer has been overlooked. These properties are legally rateable so must remain on the rating roll and have rates assessed but there is no ratepayer identified.

6.7.2. Where possible, unclaimed land is sold or transferred to adjoining property owners. In the cases proposed to be covered by this policy, the value, location, or nature of the land makes it uneconomic to do this.

6.7.3. Objective

Avoid administration costs and accumulated rates arrears where it is unlikely that rates assessed on an unclaimed or abandoned rating unit will be collected.

To remit rates on rating units that are unclaimed or abandoned, are not occupied or used for any purpose and in the Council's opinion are not suitable for sale or lease.

6.7.4. Criteria and Conditions

1. Rates or arrears owing at the time an application is approved will be remitted in full.
2. Remissions under this policy will be approved where there is no owner or occupier liable for the payment of rates and where it is not practical or economic to sell or transfer the land into new ownership.

6.8. Miscellaneous Circumstances

6.8.1. It is recognised that not all situations in which the Council may wish to remit rates will be provided for in specific policies. Situations can also arise as an unintended consequence of the application of Council's rating policies that need to be addressed in the current rating year.

6.8.2. Objective

To provide the flexibility to grant a rates remission in extraordinary circumstances arising during a rating year where the Council considers that a rates remission is appropriate and no other remission policy applies.

6.8.3. Criteria and Conditions

1. Applications for remission must be made in writing and outline the reasons why rates relief is justified.
2. Each circumstance will be considered by Council on a case by case basis.
3. A decision on whether to grant a remission, the amount of remission, and any terms or conditions will be made by the Council.

6.9. Fixed charges on Rating Units Used Jointly as a Single Unit

6.9.1. This policy extends the benefits of Section 20 of the Local Government (Rating) Act 2002 to situations where multiple rating units are used as a single property unit but the ownership is not exactly the same, e.g. one rating unit may be owned by a Trust; or where blocks of non-contiguous land are in the same ownership and used as a single unit. This

recognises that many farming units in the District are made up of smaller non-contiguous blocks of land.

6.9.2. **Objective**

To provide rates relief where two or more separate rating units that are, in the Council's opinion, used jointly as a single property are either:

- In common ownership; or
- Contiguous or separated only by a road, railway, drain, water race, river or stream.

6.9.3. **Criteria and Conditions**

1. Full rates will be set and assessed on the first rating unit, with associated rating units receiving a remission of 100% of the rates referred to in this policy.
2. This remission will apply from the next 1 July after the application is approved.
3. The qualifying rates for this remission are the uniform annual general charge set in accordance with Section 15 of the Local Government Rating Act 2002, and targeted rates set under Section 16 on a uniform basis that are calculated in accordance with section 18(2) or clause 7 of Schedule 3 of the Local Government (Rating) Act 2002.

6.10. **Postponed Rates**

- 6.10.1. The Policy for Rates Postponement on land subject to a District Plan Zone Change allows postponed rates to be remitted after a period of five years from the date the rates were assessed. This policy provides the authority for the postponed rates to be remitted.

6.10.2. **Objective**

To authorise the remission of rates that have been postponed in accordance with one of the Council's rates postponement policies where the criteria and conditions of the postponement policy relating to rates remission have been met.

6.10.3. **Criteria and Conditions**

Where the conditions of a rates postponement policy provide for the remission of rates, and those conditions have been complied with over the term of the postponement period, the Council will remit postponed rates without any further application being required by the ratepayer.

6.11. **Eastern Districts Sewer Rates (Incorporating Remission of Sewer Pan Rates for Schools, Churches and Non-profit Organisations)**

- 6.11.1. The Eastern Districts Sewer Scheme is the Council's largest. It comprises approximately 18,000 rating units and services the towns in the eastern part of the District.
- 6.11.2. Funding for the Eastern Districts Sewer scheme is by a rate on each water closet or urinal connected to the scheme. The Council recognises that this method of rating can be harsh on rating units where additional facilities must be provided to meet peak demand, but the capacity is more than what would be required for regular operating.

6.12. **Schools, Churches and Non-profit Organisations**

- 6.12.1. Many of the rating units that are required to provide multiple pans to meet peak use are schools, churches and non-profit organisations. The Council was concerned that hardship would exist for this group of ratepayers even after the remission for multiple pans had been applied.

6.12.2. It was considered that a further remission was appropriate for these groups, and that this remission should apply to rating units with three or more pans to provide rates relief to smaller clubs that were experiencing financial hardship due to the increase in sewer rates after the ocean outfall upgrade was completed.

6.12.3. The remission for schools, churches and non-profit organisations will be applied to the resulting amount after the first remission has been applied.

6.12.4. **Objective**

To ensure equitable and fair application of sewer rates on rating units containing five or more water closets or urinals where the Council is satisfied that the purpose of the multiple pans is to provide capacity to meet a peak demand.

To provide further rates relief to schools, churches and non-profit organisations that pay rates based on three or more pans.

6.12.5. **Criteria and Conditions**

1. A remission will be provided according to a sliding scale based on the number of water closets or urinals provided in the rating unit.

The amount of the remission will be:

Rating Units containing 5-8 pans	remission of 10% of the annual charge
Rating Units containing 9-12 pans	remission of 25% of the annual charge
Rating Units containing 13-16 pans	remission of 35% of the annual charge
Rating Units containing more than 16 pans	remission of 50% of the annual charge

2. The remission will not apply where the multiple pans are contained within separately used or inhabited parts of a rating unit e.g. multiple flats or shops on one rating unit.

3. A further remission will be applied to rating units that contain a school, church, or non-profit organisation. This remission will be calculated on the amount owing after the first remission has been deducted.

The amount of the second remission will be:

Number of Pans	Amount of Remission
3	33.33% of the annual charge
4	50% of the annual charge
5 or more	40% of the annual charge

4. Provided that where due to the discounts available for multiple pans, a step in the scale of pan charges results in a charge higher than the next step up the scale, the rating unit shall pay the lower of the two charges.

6.13. Application of combined Eastern Districts Sewer Remissions

Number of Pans	Multiple Pan Remission % of rates remitted	Community Organisation Remission % of rates remitted	Combined Remission % of rates remitted
1-2	0	0	0
3	0	33.3%	33.3%
4	0	50%	50%
5-8	10%	40%	46%
9-12	25%	40%	55%
13-16	35%	40%	61%
16+	50%	40%	70%

6.14. Land used as a Link Strip

6.14.1. A “link strip” is a very small parcel of land created during subdivision to protect the interests of the owner against future developments accessing services without contributing a share of the extra/over cost of providing the services. It creates a barrier between the road and private land or between two land parcels.

6.14.2. Objective

To ensure that the developer of a subdivision is not disadvantaged by the assessment of unreasonably high rates by using a link strip to protect their investment in the installation of roads and utility services that will benefit future developers of adjacent land. This policy also recognises that link strips are temporary and of a size that has no practical use.

6.14.3. Criteria and Conditions

1. A remission of 100% of the rates set and assessed on land set aside as a link strip will be made until the land ceases to be used as a link strip.
2. Any rates arrears on link strip land owing at the commencement of this policy will be remitted.

6.15. Remission and Postponement of Rates on Māori Freehold Land

6.15.1. The Local Government (Rating of Whenua Māori) Amendment Act 2021 amended the Local Government (Rating) Act 2002 in respect to setting rates on Māori freehold land. Among other changes the amendments introduced the following, which apply separately to the provisions of this policy:

- An unused rating unit of Māori freehold land becomes non-rateable
- Land that is subject to a Nga Whenua Rahui Kawenata (Conservation covenant) under section 77A of the Reserves Act 1977 or section 27A of the Conservation Act 1987 becomes non-rateable
- A person developing or intending to develop Māori freehold land may apply for a remission of rates
- A dwelling that is used separately from other land in a rating unit of Māori freehold land may, on request, be held separately for rating purposes to the balance of the land in that rating unit

- Two or more rating units of Māori freehold land may be treated as one unit for rating purposes if they are being used by the same person and were derived from the same original block of Māori freehold land
- The Chief Executive has authority to write off rates of deceased owners of Māori freehold land or rates that cannot be recovered.

6.15.2. Objective

To support the principles set out in the preamble to Te Ture Whenua Māori Act 1993 and Schedule 11 of the Local Government Act 2002 to promote the retention of Māori freehold land in the hands of its owners and to enable the owners to occupy, use and develop the land.

6.15.3. Criteria and Conditions

1. The Council may on its own motion or on the written application of any owner or group of owners remit up to 100% of the rates on any rating unit containing Māori freehold land or a Separate Rating Area created under Section 98A of the Local Government (Rating) Act 2002 where:
 - (a) The land is in multiple ownership and there is no formal occupation or lease agreement; and
 - (b) Any use of the land is minor, informal or unauthorised; and
 - (c) The rates are not being paid; and
 - (d) The size, location, lack of fencing or other features preclude the productive or practical use of the land.
2. Applicants for a rates remission under this policy may seek the assistance of Te Rūnanga o Te Ngāi Tū Ahuriri prior to making an application.
3. Rates remissions shall continue until the use of the land changes so that the provisions of clause 1 of 6.15.3 of this policy no longer apply.
4. Work completed by an adjoining property owner to keep the property in a tidy or manageable condition is not considered to be occupation in terms of this policy unless the land is fenced off for the exclusive use and benefit of that person.
5. The taking of plant material for traditional or medicinal purposes is not considered to be occupation in terms of this policy.
6. Details of all rates remissions granted under this policy will be reported to the Mahi Tahi Committee.
7. Any rating unit that receives a rates remission under this policy shall be recorded in a register.
8. Land shall be inspected at least annually to ensure that the land continues to qualify for a rates remission. The amount and timing of any rates relief provided under this policy is entirely at the discretion of the Council.
9. The Council will not postpone the requirement to pay rates on Māori freehold land, other than in terms of any policy adopted under Section 102(3)(b) of the Local Government Act 2002.

6.15.4. Conservation

1. Where land has been formally set aside for preservation or conservation purposes and there is not a Ngā Whenua Rāhui Kawenata under section 77A of the Reserves Act 1977 or section 27A of the Conservation Act 1987, a rates remission of up to 100% may be granted. The amount of the remission will depend on:
 - (a) The proportion of the property that is being used for conservation purposes; and
 - (b) The desirability of preserving particular natural, historic or cultural features within the district; and
 - (c) Whether, and to what extent, the preservation of particular natural or historic or cultural features might be prejudicially affected if rates remission is not granted in respect of the land on which they are situated; and
 - (d) Whether and to what extent preservation of particular natural or historic or cultural features are likely to be encouraged by the granting of a rates remission.

6.15.5. Land Under Development

1. Section 114A of the Local Government (Rating) Act requires the Council to consider any application by a ratepayer for a remission of rates on Māori freehold land if the ratepayer has applied in writing for a remission on the land; and the ratepayer or another person is developing, or intends to develop, the land.

7. Delegations

- 7.1. Customer Services Officers and the Rates Team – to approve on application remission of one instalment penalty charge in a two year period on any rating unit under clause 6.2.4.
- 7.2. Rates and Debtors Team Leader – to approve applications that meet the requirements of this policy except those where approval is delegated to the General Manager, Finance and Business Support or the Audit and Risk Committee.
- 7.3. General Manager, Finance and Business Support – to hear and decide any appeal against a decision made to decline an application for rates postponement or remission except where a decision has been made by the Audit and Risk Committee. Approval of rates penalty remissions authorised in the Council's Delegations Manual.
- 7.4. Audit and Risk Committee – to consider and make a final decision on applications for rates remission on Māori freehold land under development under Section 114A of the Local Government (Rating) Act 2002 and on the Rates Remission under clause 6.8 Miscellaneous Circumstances. Approval of rates penalty remissions authorised in the Council's Delegations Manual.
- 7.5. Mahi Tahi Committee – to oversee, review and monitor implementation of 6.15. the Policy for Remission and Postponement of rates on Māori freehold land, including advising the Council on applications for rates remission on land that is under development or set aside for conservation purposes, and to hear and make a final decision on any appeal that is referred to it on an application for remission under the Policy for Remission and Postponement of rates on Māori freehold land that has been declined.

8. Definitions

Case by case basis – Decisions are made separately, each according to the facts of the particular situation.

Church – Any rating unit described in Clause 9 of the First Schedule to the Local Government (Rating) Act 2002.

Extraordinary circumstances – Exceptional or unforeseen situation that is outside the ratepayer's control.

Link strip (aka segregation strips) – Small strips of land (typically 75mm wide) created when land is legalised in order to prevent the land adjoining a road or serviced area from having a legal right to access the road or services.

Māori freehold land – Land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

Non-profit organisation – Any rating unit used principally for games or sports (other than horse racing, trotting, or dog racing) or for the promotion of the arts, any purpose of recreation, health, education or instruction for the benefit of residents of the District provided that:

- The land is not used for the private pecuniary profit of any members of the society or association; and
- The organisation does not charge commercial fees; and
- The Council is satisfied that the use is generally open to all residents and meeting a need of the District.

Rateable Value – Defined in Section 13(3) of the Local Government (Rating) Act 2002

Rates Postponement Value – Determined by the Council's Valuation Services Provider so as to exclude any potential value that, at the date of the valuation, the land may have for residential, commercial or industrial development; and preserve uniformity and equitable relativity with comparable parcels of land, the valuations of which do not contain any such potential value. The rates postponement value will reflect the proximity of the rating unit to the town and will therefore be higher than a more remote rural property. Rates postponement values allocated under this policy are final and there is no right of objection against the level of valuation.

Rating Year – The Council's financial year 1 July to 30 June.

School – Any rating unit described in Clause 6(a), (b) and (c) of the First Schedule to the Local Government (Rating) Act 2002.

Special Values – The values allocated in accordance with Section 6.3 of this policy. Special rating values will be applied to rating units in commercial, industrial or business zones that are used as the private residential dwelling of the ratepayer where in the opinion of the Council's Valuation Service Provider the rateable value of the rating unit has been inflated due to the zoning of the property or potential use of the rating unit.

Special values allocated under this policy are final and there is no right of objection or appeal. (The owner still has the right to object to the rating valuation.)

Uninhabitable – As a result of damage caused by earthquake or natural disaster, the property:

- Has been deemed by a qualified structural engineer or Council building inspector to be structurally unsound and therefore unsafe to occupy; or

- Has been determined to be uninhabitable by the EQC/Insurance Company; or
- The house has been demolished.

and

- The property is not being lived in or otherwise occupied or used.

9. Questions

Any questions regarding this policy should be directed to the Rates and Debtors Team Leader in the first instance.

10. Relevant documents and legislation

- Local Government Act 2002
 - Section 108 Policy on Remission and Postponement of rates on Māori Freehold Land
 - Section 109 Rates remission policy
 - Section 110 Rates postponement policy
 - Schedule 11 Matters relating to rates relief on Māori freehold land
- Local Government (Rating) Act 2002
 - Section 55 Policy for early payment of rates in current financial year
 - Section 85 Remission of rates
 - Section 86 Recording remitted rates
 - Section 87 Postponement of requirement to pay rates
 - Section 88 Postponement fee may be added to postponed rates
 - Section 89 Recording postponed rates
- Delegations Manual

11. Effective date

1 July 2024

12. Review date

1 July 2027

13. Policy owned by

General Manager, Finance and Business Support

14. Approval

Adopted by Waimakariri District Council on 25 June 2024