

Rates Remission Policy

The Rates Remission Policy encompasses the reasonably practicable options considered by Council.

There has been a change in the criteria for Remission of Charges for Excess Water Arising from Leaks, with additional building types added for clarity (this does not change how the policy is applied). Footnote 2 clarifies that 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. The policy had previously defined unoccupied as being 2 days without occupation, so this change increases the ability to claim for a water credit.

There has been a change in the Rates postponement policy conditions so that debt cannot increase over 80% of the equity in the property. This was previously 80% of the capital value of the property. This change protects Council if there are other secured debts owing on the property.

There has been a change to the remission of rates for underground utilities to extend the remission from just Network Tasman Limited to all utility operators. This change allows other utility operators to qualify for the remission.

This policy contains Council's preferred option, having considered all reasonably practicable options in accordance with section 82 of the Local Government Act 2002.

Rates remission policy

Introduction

The Council is required to adopt a rating remission policy as set out in Section 85 of the Local Government (Rating) Act 2002. 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 the Council by meeting the relevant criteria. The 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

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.

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

- 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 object 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.

An organisation making an application should include the following information in support of its 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

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.

Application is to be made by 16 June in any year, for rating relief for the year commencing 1 July, but will expire as detailed above.

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 land value. The remission is 50% of the rates payable.

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 installment 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

Automatic remission of the penalties incurred on installment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second installment

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.

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 the Council's delegations register.

Rates remission for Residential Properties in Commercial/ Industrial Areas

Objective

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

Conditions and criteria

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

- Situated within an area of land that has been zoned for commercial or industrial use

- Listed as a 'residential' property for differential rating purposes.

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.

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.

Conditions and 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 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.

Rates remission for heritage buildings

Objective

Rates remission is provided to assist with the preservation of Nelson's heritage by encouraging the maintenance of historic buildings. Provision of a rates remission recognises that there are private costs incurred for public benefit.

Conditions and criteria

Ratepayers who have buildings with a heritage classification may apply for a rates remission of up to 50% for Category A buildings and up to 25% for Category B buildings, providing the following conditions are met:

- Buildings must be listed in Appendix 1 of the Nelson Resource Management Plan as Category A or Category B buildings

- The property must not be owned by the Council or the Crown, or their agencies

- Building owners will need to make a commitment to ongoing maintenance of their building.

Council reserves discretion in awarding full remissions in some circumstances.

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 farms¹, commercial, industrial, public service, educational, social service properties and unoccupied² 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.

¹ 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

² 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.

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 residential dwelling or under the concrete floor of a residential dwelling. The lost water is credited where the leak has been repaired with due diligence. Only one leak per property, and maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited. Credit will be based on Council's assessment of the property owner's usual usage for the period.

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 usual³ 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.

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 owner/occupier, or where timely detection of a leak could not have reasonably occurred.

Remission of rates for cemeteries

The provisions of the Local Government (Rating) Act 2002 state that a cemetery is non-rateable if it does not exceed two hectares. Therefore, a remission policy is required if Council wishes to remit rates on a cemetery greater than two hectares.

Objective

To provide a measure of relief, by way of remission, to enable Council to provide a cemetery greater than two hectares.

Conditions and criteria

A cemetery that is Council-owned and is solely used as a cemetery.

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'.

³ Usual being the amount used in the same period as last year. These amounts are shown on every water account.

Remission of rates for underground utilities

Objective

To provide a measure of relief, by way of remission, to enable Council to act fairly and reasonably when rating utility companies that put utilities under the ground.

Conditions and criteria

Where overhead utilities are put underground to the benefit of the Council and ratepayers, the Council will remit the portion of extra rates arising from the additional value of the reticulation; compared with the valuation that would have applied to overhead services.

This policy is subject to:

Undergrounding carried out after 1 July 2002 and recorded in a programme of works agreed to by both Nelson City Council and network utility operators

The agreed programme of works allows for undergrounding network utility lines in conjunction with upgrading of streets to be undertaken in any year.

Remission on 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.

Conditions and criteria

Assessments with common ownership, used jointly as a single unit and for which only one uniform annual general charge is payable

Assessments with a land value of \$4,000 or less.

Remission of clean heat warm homes targeted rate

Objective

To provide a measure of relief, by way of remission, to assist those people on low incomes who are required to convert to a clean heat source.

Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Clean Heat Warm Homes targeted rate scheme.

Conditions and criteria

Ratepayers who take up the Clean Heat Warm Homes targeted rates assistance and who qualify for the Government's rates rebate scheme may qualify for a remission on repayment of the targeted 'Clean Heat Warm Homes' rate.

Eligibility for the rate rebate scheme is assessed annually.

Rates remission for land affected by natural calamity

Objective of the Policy

The objective of this Rates Remission Policy is 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:

1. 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 uninhabitable⁴; or
 - b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued.
2. The remission may be for such period of time as the Council considers reasonable, commencing 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, up to and limited to the time that the land and/or buildings are deemed by Council to be able to become habitable or available for use.
3. 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.
4. Rates remission will not apply to any part of a rate that is levied as a user pays charge.
5. 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.

⁴ For the purposes of this policy 'uninhabitable' shall mean a building cannot be used for the purpose it was intended due to s124 notice conditions being issued under the Building Act 2004

Application

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).

Policy on remission and postponement of rates on Māori freehold land

Council is required to state its policy on the remission or postponement of rates on Māori freehold land. 'Māori freehold land' is a specific type of freehold title, and is distinguished from ordinary freehold title that is owned by Māori authorities or entities. There is currently no Māori freehold land in Nelson City.

A decision on whether to provide general rating relief through remission or postponement on Māori freehold land would be made by Council should the following apply:

If there is any Māori freehold land in Nelson City in the future.

Such a decision would be informed by other councils' policies where there is Māori freehold land. A review of this policy would be triggered if the situation regarding Māori freehold land in Nelson City was to change.

Rates postponement policy

Objective

The objective of the postponement policy is to enable the Council to provide older ratepayers with more options and flexibility. It lets older ratepayers decide how best to manage their finances and also gives older ratepayers the opportunity to stay in their houses for longer.

Conditions and criteria

Ratepayers must be over 65 (or over 60 if on a benefit)

No income testing

Must have independent advice

Can postpone all or part of the rates

Initial application fee \$400

Interest charged six monthly at the Council's marginal rate (the current cost to Council of borrowing the required funds) plus 1% for administration and 0.25% to a risk reserve

Debt cannot increase over 80% of the equity in the property

The property must be insured

The property must be the prime residence of the ratepayer and owner occupied.

Repayment is the earlier of:

Sale of the property, or

Death of the ratepayer (or surviving ratepayer where there is a couple).

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

Objective

To provide financial relief for households where a dependant 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 dependant 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 dependant on the ratepayer
- If the unit is no longer occupied by the dependant 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 re-apply 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.