

**COUNCIL POLICIES:**

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## Rates Remission and Postponement Policies

In accordance with sections 109 and 110 of the Local Government Act 2002 the Council adopted the following rates remission and rates postponement policies.

## Rates Remission Policies

**Rates Remission Policy 1: Remission of water charges where there is a leak***Objective*

To assist ratepayers who have recorded excessive water rates due to a leak in their private water reticulation system serving their rating unit.

*Conditions and Criteria*

1. The policy will apply to applications from ratepayers who have recorded excess water rates greater than their normal consumption charges due to leakage in their property's water reticulation system.
2. All applicants must submit their request in writing.
3. Repairs must be made expeditiously from the time that the leak is detected, and proof of the repairs to their property's water reticulation must be submitted for verification, i.e. a plumber's repair account.
4. The ratepayer will be charged the full charge for assessed normal consumption.
5. The excess consumption over the assessed average consumption will be charged at the cost price of the water to the Council.
6. The balance of the account, being the excess consumption in paragraph 5 multiplied by the difference between the unit charge for water and the cost price of water to the Council, will be remitted.
7. The ratepayer may be offered the opportunity to pay the account off by instalments where the amount is considered significant.

**Rates Remission Policy 2: Remission of Penalties on Rates***Objective*

The objective of the penalty on rates remission policy is for the Council to act fairly and equitably in relation to any particular ratepayer, or to ratepayers in general, in its consideration of any situation where rates have not been received by the Council by the date on which a penalty on any rates instalment is due, or by the date on which any arrears penalty on unpaid rates owing at the commencement of a rating year is levied.

*Conditions and Criteria*

1. Penalties incurred on instalment one of any year will be automatically remitted where the ratepayer pays the total amount due for the year, excluding the penalty on that instalment one, but including any arrears owing as at the com-

mencement of that year, by the penalty date for the instalment two.

2. Remission of one penalty on an instalment in any one rating year will be considered where payment has been late due to significant family disruption such as recent redundancy or unemployment, or illness, or accident to the ratepayer or illness or the death a family member.
3. Remission of an instalment penalty will be granted if the ratepayer is able to provide evidence that the payment of a rates instalment has gone astray in the mail, or the late payment has otherwise resulted from matters outside his/her control. Each application for instalment penalty remission will be considered on its merits, and remission will be granted where it is considered just and equitable to do so.

**Rates Remission Policy 3: Remission of Uniform Annual General Charges and Targeted Rates Levied as Uniform Annual Charges.***Objective*

The objectives of this policy are

- (A) To enable Council to grant rates remission where more than one uniform annual general charge and/or targeted rate levied as a uniform annual charge is assessed on rating unit because that rating unit comprises more than one separately used or inhabited part and where:
- (a) The separate parts of the rating unit are used as part of specified types of business enterprises; or
  - (b) The rating unit is used for residential purposes and includes a separately inhabited part occupied by a member of the immediate family of the owner of the rating unit; or
  - (c) The rating unit is used solely for vehicle parking in conjunction with a building on a rating unit in the same ownership.
- (B) To enable Council to grant rates remission on land where no building consent may be issued, or where the principal part of a rating unit is located in the area of an adjacent local authority and in the circumstances it is considered by the Council to be equitable to do so.

*Conditions and Criteria*

- Rating units used as hotels, motels, storage units, or rest homes or private hospitals, each operated as single business enterprises and rated at the Business Sector rate may have remitted all Uniform Annual General Charges and Targeted Rates levied as Uniform Annual Charges except for the first one of such charges. Targeted Rates levied as Uniform Annual Charges for a service actually provided to each separate part of the rating unit shall not be eligible for remission.

- A rating unit used for residential purposes and which includes a separately inhabited part, may apply to be treated as having only one separately used or inhabited part if the second part is occupied by a member of the immediate family of the owner, who also resides on the property, provided that the residential unit meets the requirement of a minor household unit and is categorised as a “granny flat” under clause 1(a)(iii) of the description of the rating system.
- Owners wishing to claim a remission under this policy may be required to make a written application and to supply such evidence as may be requested to verify that a remission should be granted under this policy. While a remission may be granted for the current year, no consideration will be given to applications relating to prior years.

#### **Rates Remission Policy 4: Council Owned Non-revenue Producing Properties**

##### *Objective of the policy*

To simplify the procedures and to minimise the administration costs.

##### *Conditions and Criteria*

All properties owned by Council excluding rateable properties that are generating income from a residential /commercial tenancy or lease and / or significantly funded through user charges, and also excluding properties where the conditions of the tenancy, lease or licence provide that the tenant, lessee or licensee is liable for payment of rates.

#### Rates Postponement Policies

#### **Rates Postponement Policy 1: Farmland where rateable value is influenced by potential non-farm use**

##### *Objective*

To provide relief to the owners of farmland where the rateable value of a rating unit that is used for farming purposes is in some significant way attributable to the potential use to which the land may be put (for example, residential, commercial, industrial or other non-farming development).

Farmland is defined for this purpose as land that is separately rated and used principally for agricultural, horticultural or other pastoral purposes or for the keeping of bees or poultry or other livestock; and “farming purposes” has a corresponding meaning.

##### *Conditions and Criteria*

- Upon written application from the ratepayer of the rating unit and subject to the payment of a valuation fee, the council will cause a rates postponement value to be determined.

The rates postponement value is to be determined -

- So as to exclude any potential value that, at the date of valuation, the rating unit may have for residential, commercial, industrial or other non-farming use; and
  - So as to preserve the uniformity and equitable relativity with comparable parcels of farmland within Waitakere City, the values of which do not contain any such potential value.
- There will be no right of objection to the rates postponement value determined, except to the extent that it is proved that the rates postponement value does not preserve uniformity with existing District Valuation Roll values for comparable rating units within the Waitakere City district having no potential value for residential, commercial, industrial or other non-farming development.
  - The portion of the rates postponed for any rating period shall be an amount equal to the difference between the amount of the rates of that period calculated according to the rateable value of the rating unit and the amount of the rates that would be payable for that period if the rates postponement value of the rating unit were its rateable value.
  - The Council will add a postponement fee to the rates postponed for the period between the due date and the date that they are paid. This fee will not exceed an amount that covers the Council’s financial costs. Interest will be charged on the rates postponed at a rate equivalent to the Council’s average borrowing rate.
  - The amount of rates postponed plus the interest accrued on farmland in urban areas will be deemed to have been written off after five years.
  - The ratepayer must be the current occupier of the rating unit.
  - The rating unit must be used solely for farming purposes, be an economical unit in the opinion of the Council and must have been farmed as such continuously for a period of not less than three years immediately preceding the date of the application under this policy.
  - All rates whose payment has been postponed under this policy become due and payable immediately on -
    - the rating unit ceasing to be farmed as an economic unit in the opinion of the Council; or
    - the rateable value of the rating unit ceasing to be attributable, in some significant way, to the potential use to which the land may be put for residential, commercial, industrial or other non-farming development; or

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Rates Remission and Postponement Policies *(continued)*

- (c) a transfer of occupation of the rating unit, in whole or in part, whether by sale, lease, licence or other agreement, otherwise than as a transfer of an estate pursuant to will.

*Other conditions*

The policy will apply from the beginning of the next rating period in which the rate postponement value is determined and will not be backdated to prior years.

The amount of rates postponed, together with any postponement fee will be secured by registration as a statutory land charge on the title of the rating unit, at the expense of the applicant.

**Draft Rates Postponement Policy 2: Residential lands where rateable value is influenced by rezoning***Objective*

To ensure that the owners of residential rating units are not penalised because of the increases in the value of rateable units due to the rezoning decisions by Council.

In order to relieve any hardship that may be suffered by residents of properties that are located in residential areas whose property values are affected by a change in the District Scheme, Council may postpone the amount of rates calculated on the difference between the land value and a “special value” assessed on the same basis that existed prior to the enactment of the Local Government (Rating) Act 2002 for the residential portion of the land area not exceeding 1100 square metres.

*Conditions and criteria*

In order to be eligible for rates postponement under this policy, the rating unit must:

- (a) be situated within an area that has been rezoned for commercial and industrial use, provided that rezoning has not been done at the request of the rating unit owner. Ratepayers can determine the zoning of their property by inspecting the District Plan, the copies of which are available for public inspection at Council offices and libraries.
- (b) Be used as a “residential” property for general rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council’s rating information database at the Council offices.
- (c) Be a rating unit owned by the applicant at the time of any change to the District Plan that caused the increase in the value of the rating unit or 1 July 2003, whichever date is the later.

*Other conditions*

That the rates so postponed would be immediately payable after 5 years or when the property ceases to be the residence of the applicant, is sold, or on the death of the applicant, whichever occurs first.

That Council will add a postponement fee to the rates postponed for the period between the due date and the date that they are paid. This fee will not exceed an amount that covers the Council’s financial costs. Interest will be charged on the rates postponed at a rate equivalent to the Council’s average borrowing rate.

That the land area in excess of 1100 square metres will be rated at the rateable value of the land and the rates due are payable in accordance with the Council’s rates collection procedures.

Those ratepayers wishing to claim rate postponement under this part of the policy must make an application on the prescribed form available from the Council office.

*Procedure*

The amount of rates to be postponed will be calculated on the difference between the land value and the “special value” assessed on the same basis that existed prior to the enactment of the Local Government (Rating) Act 2002 for the residential portion of the land area not exceeding 1100 square metres.

**Rates Postponement Policy 3: Postponement of Rates on the Grounds of Severe Financial Hardship***Objective*

To assist ratepayers, who in the opinion of Council, are experiencing severe financial circumstances that affect their ability to pay their rates.

*Conditions and Criteria*

1. A full enquiry will be carried to determine that severe financial hardship exists, or would be caused by the non-postponement of all or part of the rates payable.
2. When considering whether severe financial hardship exists, all of the ratepayer’s personal circumstances will be relevant, including factors such as age, physical or mental disability, injury, illness, and family circumstances. Access to other sources of financial assistance will be taken into account in determining the amount of rates postponement (if any).
3. The rating unit in respect of which an application for rates postponement is being made must be used by the applicant solely for residential purposes, and must have been owned by the applicant for not less than the immediate past 2 years. However if the applicant has owned the property for less than 2 years, and his/her financial circumstances have changed significantly since the date

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of acquisition, an application may be considered.

4. In the Council's opinion, it is satisfied that the ratepayer is unlikely to have sufficient funds remaining after payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses. In this regard, details of the results of any application for a special benefit or similar assistance from Government Agencies will be taken into account.
5. The ratepayer must not own any other rating units, investment properties or other realisable assets.
6. The applicant must make application to the Council on the prescribed form.
7. As a general rule, if any rates postponement is granted, the ratepayer must pay the first \$520 of the rate account each year.
8. If rates postponement is granted, the ratepayer must make arrangements to the Council's satisfaction for payment of future rates that are payable, e.g. by setting up a system for regular payments.
9. The Council will add a postponement fee to the rates postponed for the period between the due date and the date that they are paid. This fee will not exceed an amount that covers the Council's financial costs. Interest will be charged on the rates postponed at a rate equivalent to the Council's average borrowing rate.
10. The policy will apply from the beginning of the rating year in which the application is made, although the Council may consider backdating the postponement of rates, if in the circumstances it considers it fair and equitable to do so.

11. The amount of rates postponed, together with any postponement fee will be secured by registration as a statutory land charge on the title of the rating unit, at the expense of the applicant.

The term of any rates postponed will be until

- the death of the ratepayer; or
- the ratepayer ceases to be the owner of the rating unit; or
- the ratepayer ceases to use the property as his/her residence; or
- a date specified by the Council in any particular case;

provided that if the financial circumstances of the applicant improve to such an extent that in the Council's opinion, an application for rates postponement would not be granted, then after advising the applicant, the terms of the rates postponement may be varied.

The total postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of any lesser sum than that which would be entitled to be postponed pursuant to this policy.