

# Remission and Postponement of Rates Policies Contents

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# Remission and Postponement of Rates

## 1. REMISSION OF PENALTIES

### Objective of the Policy

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

### Conditions and Criteria

Penalties may be remitted where the application meets the following criteria:

1. Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member as at the due date.
2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
3. Remission of instalment penalty (incurred after 1 July 2006) where rates are paid within seven days of due date and no penalties for late payment have been incurred within the preceding two years.
4. Where Council agrees to a schedule of regular payments by way of direct debit or automatic payment covering rates for a particular year, any instalment penalties incurred for that years rates will be remitted provided that no payments are missed or dishonoured.
5. Applications for remission of penalties in other extenuating circumstances will be considered on their merits and remission may be granted where in the opinion of Council it is just and equitable to do so.
6. Applications for remission of penalties must be in writing outlining circumstances under which remission is sought.
7. The Council may remit small balances due to cash rounding.

## 2. REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND SPECIFIED TARGETED RATES FOR CONTIGUOUS RATING UNITS IN SEPARATE OWNERSHIP, USED JOINTLY AS A SINGLE BUSINESS ENTITY

### Objective of the Policy

The policy provides for rates remission where multiple uniform annual general charges or uniform targeted rates are levied on contiguous, separately owned rating units which are occupied by the same ratepayer, whether owner or lessee, who is using the rating units jointly as a single property and as a single business entity.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the owner or lessee of each unit and who uses them jointly as a single property and as a single business entity.
2. Council may remit any uniform annual general charges or uniform targeted rates levied on the rating units if it considers it to be reasonable to do so.
3. The ratepayer must make application annually to Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

## 3. REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND SPECIFIED TARGETED RATES ON RATING UNITS WHICH ARE:

- (a) Separately used by one occupier for both business and residential purposes; or
- (b) Used for residential purposes and which include a separately inhabited part occupied by a dependent member of the family of the owner of the rating Unit.

### Objective of the Policy

The policy is to provide for the possibility of rates remission where two or more uniform annual general charges and/or uniform targeted rates for specified services is assessed on a rating unit because the rating unit comprises more than one separately used or inhabited part where either:

- (a) The rating unit is separately used or occupied by one occupier for both residential and business purposes; or
- (b) the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating units in (a) must be occupied (either as owner or lessee) by the same person(s) and separately used by that/those person(s) for his/her or other business and residence; or –

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2. The rating units in (b) above must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner for financial support ( eg a granny flat).
3. The owner(s) of the rating unit must complete and provide to the Council a statutory declaration stating that the conditions to either (1) or (2) above apply. Such a declaration will be effective for three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first three year period.
4. The rates which may be remitted are as follows:  
  
For rating units in both (a) and (b) above, any uniform annual general charge and/or uniform targeted rate for waste management services assessed in respect of the rating unit, apart from the first of each.
5. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

## 4. POSTPONEMENT OF RATES DUE TO EXTREME FINANCIAL HARDSHIP

### Objective of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

### Conditions and Criteria

Rates will be postponed where the application meets the following criteria:

- (1) When considering whether extreme financial circumstances exist, all of the ratepayers personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- (2) The ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within the Papakura District for not less than two years.
- (3) The rating unit must be used solely for residential purposes.
- (4) The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the 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.
- (5) The ratepayer must not own any other rating units or investment properties or other realisable assets.

- (6) The ratepayer must make application to the Council on the prescribed form.
- (7) Even if the rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- (8) The ratepayer must make acceptable arrangements for payment of future rates
- (9) The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers Council's administration and financial (including interest) costs.
- (10) The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on circumstances.

Any postponed rates will be postponed until:-

- (1) the death of the ratepayer(s); or
- (2) until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- (3) until the ratepayer(s) ceases to use the property as his/her residence; or
- (4) until a date specified by the Council as determined by the Council in any particular case.

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

Postponed rates will be registered as a statutory land charge on the rating unit title.

## 5. REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND

There is no Māori freehold land within the Papakura District.

Notwithstanding, section 102(4)(f) of the Local Government Act 2002 requires Council to establish a policy on the remission and postponement of rates on Māori freehold land.

Accordingly for the purposes of establishing a policy, there is no remission or postponement of rates on Māori freehold land.

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## 6. POSTPONEMENT OF RATES ON FARMLAND

### Objective of the Policy

To encourage owners of farmland to continue productive farming businesses rather than subdividing or otherwise using their land for residential purposes.

### Conditions and Criteria

Rates will be postponed where the application meets the following criteria:

1. The rating unit must be rated within the Rural differential rating group; and
2. The ratepayer must be the current owner of the rating unit and the property must have been used for farming purposes for not less than two years.
3. The rating unit must be used principally for the purposes of a farming business. Council considers that a farming business may include, but is not limited to, livestock farming, bloodstock, horticulture and viticulture. It will be up to the applicant to show that their enterprise is being conducted as a business venture rather than simply defraying the costs of their lifestyle. It will then be a decision of Council as to whether the applicant is, in its view, conducting a productive farming business or not. Council may request any information it needs from the applicant in support of their application.
4. The policy will not apply to rural land that is being used as a lifestyle block.

5. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

If an application is approved, postponement of up to 20% of rates, excluding uniform charges, will be granted.

At the end of three years following postponement of rates for a particular year, any postponed rates for that year will be remitted if the rating unit has not been sold or subdivided. If the rating unit is sold or subdivided within the three year period any outstanding postponed rates and interest will be payable at the time of that sale or subdivision.

Postponed rates will be registered as a charge against the land so that, in the event that the property is sold, the Council has first call against the proceeds of that sale. The ratepayer will be required to sign an agreement to these conditions.

## 7. REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND SPECIFIED TARGETED RATES FOR RATING UNITS IN THE SAME OWNERSHIP, USED JOINTLY AS A SINGLE BUSINESS ENTITY FOR THE PURPOSES OF A FARMING BUSINESS

### Objective of the Policy

The policy is to provide for the possibility of rates remission where two or more uniform annual general charges or uniform targeted rates for waste management are levied on separately owned rating units which are occupied by the same ratepayer who is using the rating units as a single business entity for the purposes of a farming business.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating unit must be occupied by the same ratepayer who is the owner of each unit and who uses them jointly as a single business entity for the purposes of farming.
2. The Council may consider reducing or cancelling any targeted rates for waste management on such rating units, where each of the rating units do not separately use the waste management collection services.
3. The Council may consider reducing or cancelling any uniform annual general charges levied on the rating units if it considers it to be reasonable to do so.
4. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

## 8. REMISSION OF RATES ON LAND PROTECTED FOR NATURAL CONSERVATION PURPOSES

### Objective of the Policy

To encourage owners to take measures to protect areas of land for natural conservation purposes for the benefit of future generations.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. A mechanism must be in place which provides for enduring protection of the land concerned, such as:
  - an open space covenant under the Queen Elizabeth the Second National Trust Act 1977
  - a conservation covenant or protected private land agreement under the Reserves Act 1977
  - any other covenant or agreement which in the opinion of Council provides enduring protection for the land
2. The ratepayer must provide copies of documentation creating the protection mechanism along with confirmation that, and how, any conditions of the mechanism are being complied with.
3. Qualifying land will not include any area put to active use, including but not limited, to residential accommodation, commercial activities, grazing or other farming activity.

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4. Separate rating valuations will be prepared for the qualifying protected land and the balance of property.
5. Remission of 100% of rates, excluding uniform charges, will be granted only in respect of the protected area..
6. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.