

## Rates Remission Policy

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

While the majority of the policy is unchanged since 2018, there are two new sections, two removed sections, and three amended sections.

1. A separate remission for social or kaumatua housing has been included to ensure it is clear that these providers may apply for rates remission.
2. A new remission has been included for Other Remissions Deemed Fair and Equitable for unforeseen circumstances.
3. The Charges for Excess Water Arising From Leaks Remission has been extended to commercial ratepayers.
4. The Low Valued Properties Remission no longer specifies the land value where the remission applies which will be set annually by resolution.
5. The Land Affected By Natural Calamity Remission has been altered to include a five year maximum remission for new applications.
6. The Remission of Rates For Cemeteries and Early Payment Of Rates remissions have been removed from the policy.

This Rates Remission Policy contains Council's preferred options, having considered all reasonably practicable options in accordance with Section 82 of the Local Government Act 2002.

### Introduction

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 Council by meeting the relevant criteria. 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**

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 achieve following general social wellbeing objectives:

- 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 objective 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. A remission under this policy must be in the organisations name and the rating unit must be fully occupied by the ratepayer.

### **The following information should be included in support of an 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**

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

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.

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.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rate remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications under this Policy will be made according to the Delegations Register.

## **Rates remission for provision of social and Kaumatua housing**

### **Objective**

To facilitate the ongoing provision of social and Kaumatua housing.

The purpose of granting rates remission to an organisation is to achieve following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Facilitate the ongoing provision of social housing in Nelson by registered Community Housing Providers
- Facilitate provision of Kaumatua housing at Whakatū Marae.

### **Conditions and criteria**

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide social housing to the benefit of the city. A remission under this policy must be in the organisations name and the rating unit must be fully occupied by the ratepayer.

### **For Social Housing Providers the following information is required:**

- Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority
- Evidence that the property for which rates remission is sought is used for social housing and/or affordable rental housing, and is neither vacant nor commercial property
- A copy of the organisation's current Rules or Constitution that sets out the purpose of the organisation
- The Social Housing Provider's most recent financial accounts.

### **For Kaumatua housing providers the following information is required:**

- A copy of the most recent financial accounts for the Kaumatua housing.

### **Procedure**

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

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.

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.

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Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rates remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications under this Policy will be made according to the Delegations Register.

## **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 instalment 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
- 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 being 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:

- 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.

### **Procedure**

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

## **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 farms<sup>1</sup>, public service, educational, social service properties and unoccupied<sup>2</sup> 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.
- 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 building or under the concrete floor. The lost water is credited where the leak has been repaired with due diligence. Only one leak per property, and

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<sup>1</sup> 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

<sup>2</sup> 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.

maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited

- Approved residential water leak credits will be based on Council's assessment of the property owner's usual usage for the period
- Approved commercial/industrial water leak credits will be based on 50% of Council's assessment of the property owner's usual usage for the period. If the water has not entered the waste water network, Trade Waste will also be credited
- 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 usual<sup>3</sup> 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 ratepayer (owner/occupier), or where timely detection of a leak could not have reasonably occurred.

## **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'.

## **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

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

- 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
- The low land value will be reviewed annually and set by Council resolution.

### **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**

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:

- 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 uninhabitable; or
  - b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued



- The remission may be for such period of time as the Council determines, acting reasonably. Without limiting the Council's discretion, the timeframe for remission will typically commence 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, and end on the earlier of, the date that is 5 years after the commencement date, or the date that the land and/or buildings are deemed by the Council acting reasonably to be able to become habitable or available
- 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
- Rates remission will not apply to any part of a rate that is levied as a user pays charge
- 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.

### **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).

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

### **Objective**

To provide financial relief for households where a dependent 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 dependent 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 reapply 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.

### **Procedure**

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

## **Remission of rates on separately used or inhabited parts of commercial rating units less than 20m<sup>2</sup>**

### **Objective**

To provide relief from uniform annual general charges and wastewater charges for very small separately used or inhabited parts of commercial rating units (i.e. those less than 20m<sup>2</sup> floor area) where the effect of multiple uniform annual general charges and wastewater charges creates a significant financial impediment to economic use of the separately used or inhabited parts and where the Council considers that it is equitable to do so.

### **Conditions and criteria**

The uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of a commercial rating unit that has a floor area of less than 20m<sup>2</sup> may be remitted where the following criteria is met:

- The separately used or inhabited part of the commercial rating unit must have a floor area of less than 20m<sup>2</sup>
- The circumstances of the commercial rating unit must be such that the uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of the rating unit that has a floor area of less than 20m<sup>2</sup> will render the property uneconomic or are otherwise inequitable.

### **Procedure**

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

- Applications must be made on the prescribed form which can be found via our Customer Service Centre or on our website [www.nelson.govt.nz](http://www.nelson.govt.nz)
- Applications must include detailed information explaining how the property meets the conditions and criteria under this policy
- Application will not be accepted for prior years
- Any rates remission will be granted for one year only following which the ratepayer may make a new application for the remission of rates for any following year so long as the conditions and criteria are still met
- Decisions on applications under this policy will be made by Group Manager Corporate Services.

## **Other remissions deemed fair and equitable**

### **Objective**

To recognise that the Council's policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.

### **Conditions and criteria**

The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so.

## **Policy on Remission and Postponement of Rates on Māori Freehold Land**

### **Introduction**

The Local Government Act 2002 (sections 102 and 108) requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land.

This policy follows the principle of ensuring the fair and equitable collection of rates from all sectors of the community recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates. The policy allows for remissions where the land is unoccupied and non-income producing and where a temporary remission would assist in the economic development of the land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. This policy explains the conditions and criteria under which the Council might consider it appropriate to provide rates relief in respect of Māori freehold land.

In determining this policy the Council has taken account of those matters set out in Schedule 11 of the Local Government Act 2002 – matters relating to rates relief on Māori Freehold Land. This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

- a) The land is generally multiply owned; and/or
- b) There are legislative and cultural constraints on the ability to alienate Māori Freehold Land (and in many cases, the owners do not want to alienate the land) and therefore it is not freely tradeable; and/or
- c) The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

- a) The nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or
- b) The land has some special significance which makes it undesirable to develop or reside on; and/or
- c) The land is isolated, difficult to access and marginal in quality
- d) In compliance with the Local Government Act 2002 and in recognition that the nature of Māori Freehold Land is different from General Land, the Council has formulated this Policy on the Remission and Postponement of Rates on Māori Freehold Land.

The Council only remits rates on Māori freehold land, it does not allow postponements.

As at the time of adopting this policy (14 December 2017) there are a small number of applicable properties within the Nelson City Council boundaries. It is anticipated that several more might meet the criteria in the future, through the Treaty Settlement process. This assessment is based on the Māori Land Court register, Council rating information and Council's GIS (Geographic Information System) records.

## **Objectives**

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances that make it appropriate to remit rates for defined periods of time.

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

To recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

## **Conditions and criteria**

Council will maintain a 'Maori Freehold Land Rates Relief Register' for the purpose of recording properties on which it has agreed to remit rates pursuant to this Policy. The Register will comprise the following list, being:

- a) The 'Maori Land General Remissions List', used to achieve the above objectives.

Council may at its own discretion add properties to the register. Rating relief, and the extent thereof, is at the sole discretion of Council and may be cancelled and reduced at any time.

Council will review the Register annually and may:

- a) Add properties that comply, and
- b) Remove properties where the circumstances have changed and they no longer comply.

The Council will consider remitting rates on Māori Freehold Land if the following criteria are met:

- a) The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002.
- b) The land is multiply-owned and unoccupied Māori freehold land that does not produce any income and there is no economic or financial benefit derived from the land, or only a small portion of the land is occupied.
- c) An application for a remission of rates has been made in writing annually, except where a remission has been granted for a longer period or when staff recognise that a property is unoccupied or uneconomic to use. Staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

The remission for land recorded in the Maori Land General Remissions List will be 100% of any rates except targeted rates made for water supply, sewage disposal or refuse collection.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. Where the Council is considering a remission of rates for past

rating years, the three year maximum period of remission may be exceeded at the Council's discretion.

Applications for the remission of rates for Māori Freehold Land will be approved by Council officers according to the Council's delegations register.

**Procedure**

A request for rates remission by the owners, their agent or the person(s) proposing to use the land must include:

- a) Details of the land
- b) Documentation that shows the ownership of the land, and
- c) Reasons why remission is sought.