

# RATES REMISSION POLICY

## INTRODUCTION

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

- i) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
  - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii) The local authority must give notice to the ratepayer identifying the remitted rates.

## SCOPE OF AMENDMENTS

Proposed amendments to the Council's rates remission policy from 1 July 2009 include:

- ***A change to the terms of the special circumstances rate remission to:***
  - a) permit applications to be received and accepted and applied after the start of that rating year, noting that a remission will not be back dated to the previous year.
  - b) provide the flexibility for to Special Circumstances remission to be applied any part of the rates liability for a property(s). The policy currently restricts the application of this remission to the general rate.

- ***The introduction of a new "Downtown rate remission for property under development".***

It is proposed that this remission apply specifically to 'not fit for purpose' commercial property within the central city ('downtown') area. Potential applicants will generally be limited to commercial properties under development, where the rating unit does not (yet) hold sufficient consents to permit occupation. The remission which will require annual application will relate to the Downtown Levy only. The rating shortfall resulting from the remission will be met by remaining central city commercial ratepayers.

**The Council proposes to continue with the following rates remission provisions for 2009/10.**

## RURAL OPEN SPACE REMISSION

### REMISSION STATEMENT

The Council may grant a 50 percent remission on land classified as "rural" under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

### POLICY OBJECTIVE

To provide rates relief for rural, farmland and open spaces.

## CONDITIONS AND CRITERIA

### Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes. Under this policy "principally for farming or conservation purposes" is defined as where:

- a) The rating unit (or property) exceeds 30 hectares in area, and
- b) 50 percent or more of the rateable capital value of the property is made up of the land value, and
- c) the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

### APPLYING FOR REMISSION

All applications must be in writing using the Wellington City Council 'Application for Remission' form.

The approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer. Applications for this remission must be received prior to the commencement of the rating year.

Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

## **DELEGATION**

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

## **REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT**

### **REMISSION STATEMENT**

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

- a) has a club licence under the Sale of Liquor Act 1989, and
- b) would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
- c) the property is rated at the Base differential.

### **POLICY OBJECTIVE**

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

## **CONDITIONS AND CRITERIA**

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

### **DELEGATION**

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

## **SPECIAL CIRCUMSTANCES REMISSION**

### **REMISSION STATEMENT**

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

## **POLICY OBJECTIVE**

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

### **CONDITIONS AND CRITERIA**

The Council may remit part of the general rate assessed in relation to particular rating unit where:

- i) the rates on that rating unit are disproportionate to those levied in respect of comparable rating units, or
- ii) the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers. A remission under this policy will apply for one year only. Applicants must reapply annually.

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. Special Circumstances remission applications may be received and actioned after the start of a rating year (1 July), but no application will be back dated beyond the current rating year.

### **DELEGATION**

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

## REMISSION OF DOWNTOWN LEVY TARGETED RATE ON PROPERTY REMISSION OF DOWNTOWN LEVY TARGETED RATE ON PROPERTY UNDER DEVELOPMENT

### REMISSION STATEMENT

The Council may remit part or all of the Downtown Levy targeted rate on land classified under the Council's commercial, business and industrial differential and located in the central city area as defined under the District Plan, where the property is deemed to be 'not fit for purpose'.

### POLICY OBJECTIVE

To provide rates relief for downtown commercial property temporarily not fit for purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown Levy targeted rate.

### CONDITIONS AND CRITERIA

A remission of the Downtown Levy targeted rate may be granted to rating units that are classified under the Council's commercial, business and industrial differential and located in the "central city area" under the Council's operative District Plan where the property is temporarily not fit for purpose. Under this policy "not fit for purpose" is defined as where:

- a) the property (rating unit) will not hold sufficient consents to permit occupation and,
- b) the property (rating unit) will not be used for any purpose, apart from the construction of buildings, premises or associated works, and
- c) the property (rating unit) will not generate any revenue stream

The above criteria will apply to and must be met by an entire rating unit, as identified in the Council's rating information database.

### APPLYING FOR REMISSION

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year. All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted (annually) for consideration of further remissions (prior to the commencement of the rating year).

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

Applications for this remission must be received prior to the commencement of the rating year.

Successful applications received during a rating year will be applicable from the commencement of the following year. The Council will not allow remissions retrospectively.

### DELEGATION

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

## RATES PENALTY REMISSION POLICY

### POLICY OBJECTIVE

To enable the Council to act fairly and reasonably when rates have not been received by the due date.

### CONDITIONS AND CRITERIA

Upon receipt of an application from the ratepayer, or if identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- a) the ratepayer's payment history, and
- b) the impact on the ratepayer of an extraordinary event, and
- c) the payment of the full amount of rates due, or
- d) the ratepayer entering into an agreement with the Council for the payment of rates within a reasonable timeframe.

The Council reserves the right to impose conditions on the remission of penalties.

### DELEGATION

Decisions relating to the remission of penalties on rates are delegated to the Chief Financial Officer and Manager, Financial Transactions, as set out in the Council's delegations manual.

### REMISSION OF RATES ON MAORI FREEHOLD LAND

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.