

POLICY	STATUS	AT	DATE	DOC ID
<i>Rates Remission and Postponement Policy</i>	<i>Adopted</i>	<i>Ordinary Council Meeting</i>	<i>11 June 2024</i>	<i>A1198626</i>



Opōtiki District Council
 STRONG COMMUNITY STRONG FUTURE

ŌPŌTIKI DISTRICT COUNCIL

RATES REMISSION AND POSTPONEMENT POLICY, INCLUDING ON GENERAL LAND, MĀORI LAND, AND MĀORI FREEHOLD LAND

GENERAL

This policy outlines Ōpōtiki District Council's approach to Rates Remissions and Postponements. This includes on General Land, Māori Land, and Māori Freehold Land.

RECOGNITION OF OBLIGATIONS TO MĀORI

The amendment of the Local Government Act 2002 ([102\(3A\)](#)) in the Local Government (Rating of Whenua Māori) Amendment Act 2021 requires that the Rates Remissions Policies must support the principles set out in the [Preamble](#) to Te Ture Whenua Māori Act 1993.

This policy supports the matters in the Preamble by giving effect to Council's statutory obligations under the Local Government Act 2002 and the Local Government (Rating) Act 2022 including the matters in the rates remissions policies, Local Government Act 2002 [Schedule 11](#) and Local Government (Rating) Act 2002 [Schedule 1](#).

All policies in the Rates Remission and Postponement Policy apply to Māori freehold land unless stated otherwise. Additionally, the Rates Remissions and Postponement policy for Māori Freehold land also apply to Māori freehold land.

Te Ture Whenua Māori Act 1993

This policy will support the Preamble to Te Ture Whenua Māori Act 1993. Council will

- Recognise that land is a taonga tuku iho of special significance to Māori people.
- Promote the retention of that land in the hands of its owners, whānau, and their hapu.
- Protect Wahi tapu.

¹ [Te Ture Whenua Maori Act 1993 No 4 \(as at 29 November 2022\), Public Act Preamble – New Zealand Legislation](#)

- Facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and hapu.¹

APPLICATIONS PROCESS

This section applies to the entirety of this policy.

Ratepayers wishing to claim a remission should make an application at the following webpage. PDFs of application forms can also be downloaded at this link. Individuals may request a physical form our main office at 108 Saint John Street.

[Rates Remissions and Postponements - Ōpōtiki District Council \(odc.govt.nz\)](#)

The application for rate remission must be made to the Council prior to April 1 for the next rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Applications for remissions shall be considered by Finance and Corporate Services Group Manager. Further delegations are made from the management level, and are documented in Council's Delegation Manual.

The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council staff as specified by a resolution of Council.

Decisions of remission of penalties will be delegated to officers as set out in the Council's Delegations Manual.

RATES POSTONEMENTS

Individuals who enter into payment plans for their rates have their rates postponed in accordance with their individual payment plan.

Outside of the above, Council does not have a policy allowing for the postponement of rates.

RATES REMISSION OF GENERAL LAND

Introduction:

The Rates Remission on General Land policy identifies the circumstances where the council will consider rates relief on general land.

1 COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Preamble

Section 8 of the Local Government (Rating) Act 2002 provides for certain categories of land to have rates assessed not exceeding 50% of the rates that would have otherwise been assessed. These categories of land are more specifically detailed in the Act as:

Part 2:

Land 50% non-rateable:

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
2. Land owned or used by a society or organisation of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or organisation of persons (whether incorporated or not) for the purpose of any branch of the arts.²

Notes:

For the purposes of this part, unless the context otherwise requires, **land** does not include land used for the private pecuniary profit of any members of the society or association. **Land**, in clause 2, excludes land in respect of

² [Local Government \(Rating\) Act 2002 No 6 \(as at 23 August 2023\), Public Act Schedule 1 Categories of non-rateable land – New Zealand Legislation](#)

which a club licence under the Sale of Liquor Act 1989 is for the time being in force.

However, in addition there are other groups which Council believes should have a remission.

Objective

To facilitate the ongoing provision of non-commercial (business) community services and non-commercial (business) recreational opportunities for the residents of Ōpōtiki district.

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

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups – these include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

For application details, refer to the beginning of the policy.

This part of the policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit.

The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Rate remission under this policy will be limited to 50% of the general or targeted rates. No remission will be granted on the targeted rates for water supply, sewage disposal or refuse collection.

Council at its discretion may to apply this remission to properties it feels fit the criteria.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria. The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council Officers as specified by a resolution of Council.

2 UNIFORM CHARGES ON RATING UNITS OWNED BY THE SAME OWNER

Preamble

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as 1 unit for setting a rate if those units are:

- a) owned by the same person or persons; and
- b) used jointly as a single unit; and
- c) contiguous or separated only by a road, railway, drain, water race, river or stream.

However, sub-divided land owned by a developer while contiguous is not held for the same purpose as each lot can be sold separately to a different purchaser. This has had additional implications where properties of more

than one lot are now treated as separate properties. Further there are ownership of properties which to all intent and purposes is similar and which Council consider should have relief under this policy.

Objectives

To provide for relief from uniform charges on land held by a developer or what was formerly a single property but now treated as two or more properties and properties to which the ownership, to all intents and purposes, is similar.

Conditions and criteria

For application details, refer to the beginning of the policy.

Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is made must to all intents and purposes have the same owner.

Only one of the units may have any residential dwelling situated on the rating unit.

Council at its discretion may apply this remission to properties it feels fit the criteria. The policy shall apply to such organisations approved by the Council as meeting the relevant criteria.

3 PENALTIES

Preamble

Council has large rate arrears and it can be an incentive to the collection of back years' arrears if some concession is made in collection of penalties. Further where owners are prepared to enter into formal payment

arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties.

Objective

The objective of this part of the remissions policy is to:

- a) enhance the collection of back years' rates;
- b) enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and criteria

For application details, refer to the beginning of the policy.

Automatic remission of the penalties incurred on instalments one and two will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the third instalment.

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.

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. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Write-offs

Write-off of penalties applied in previous years may be considered at the Chief Executive's discretion where doing so may facilitate the of payment of rates arrears in full.

As per section 90A and 90B of the LGRA, the Chief Executive may also write off outstanding rates when it is considered by the CE that the rates cannot reasonably be recovered. This may be done at any time by the Chief Executive's initiative or by application from a ratepayer. When this happens, the Chief Executive must:

- a) notify a ratepayer of any write-off of the ratepayer's rates; and
- b) provide a written response to an applicant within 30 days of receipt of the application, detailing the reasons for the decision to or to not write off the rates specified in the application.

4 ECONOMIC DEVELOPMENT

Preamble

The Ōpōtiki District is one where employment opportunities have been few and far between. Council is also concerned that raw products from farming and forestry in the District leave the District for further processing. The Council wishes to attract investment in processing-type industries, and considers that rate remissions during the development phase of investment projects will assist in achieving this objective.

Objective

To promote employment and economic development within the district by assisting new business.

Conditions and criteria

For application details, refer to the beginning of the policy.

This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

Horticultural and residential development may qualify for remission under this part of the policy.

In considering applications for remission under this part of the policy, Council will have regard to the following criteria:

- the likely financial advantage to the district
- employment opportunities
- the extent to which developments of the particular type or types are likely to be promoted or prejudicially affected by the granting of rates remissions.

Applications must be made in writing and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of jobs created by the development.

Applications for remission for economic development will be considered by Council. In considering applications, Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis, subject to a maximum amount of 50 percent of rates, and a maximum remission period of five years from the commencement of the development. For the purposes of this part of the policy, a project will be viewed as having commenced when resource consent is issued.

In granting remissions under this part of the policy, 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.

5 LAND USED FOR NATURAL, HISTORIC OR CULTURAL AND CONSERVATION PURPOSES

Objective

To preserve and promote natural resources and heritage to encourage the protection of land for natural, historic or cultural purposes. This policy will support the provisions of the Ōpōtiki District Council District Plan.

Conditions and criteria

For application details, refer to the beginning of the policy. Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the Covenant or other legal mechanism.

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which are voluntarily protected may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications for the remission for protection of heritage will be considered by Council. 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 or natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
- the degree to which features of natural, cultural or historic heritage are present on the land
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case by case basis.

In granting remissions under this part of the policy, 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.

6 RATES REMISSION FOR A RATING UNIT AFFECTED BY CALAMITY

Objective of Policy

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

Conditions and Criteria

For application details, refer to the beginning of the policy.

The Council may remit the rates charged on a rating unit if:

1. Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
2. The land is unable to support the activity for which it was used prior to the calamity, for example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property to the financial year in which the application was received. Rates remissions would only apply to rates payable after the date of the calamity. (i.e. next instalments). There will be no backdating of rates remissions.

Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties.

7 POLICY RATE REMISSION FOR EXTREME FINANCIAL HARDSHIP

Objective of the Policy

The objective of the policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

Conditions and Criteria

For application details, refer to the beginning of the policy.

Remissions of rates in part or in whole may be given in cases of extreme financial hardship where it is considered appropriate by Council.

The rating unit which is the subject of the application must be used solely as a domestic residence, be the normal place of residence of the ratepayer and the ratepayer must not own any other property in the Ōpōtiki or any other district. (An interest in Māori freehold land in multiple ownership is not included in this exclusion)

The policy does not apply to vacant land.

The remission will be granted to natural persons only.

Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.

The ratepayer must provide any evidence that the Council deems appropriate to support the claim for extreme financial hardship.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

8 WATER RATES ATTRIBUTABLE TO WATER LEAKS

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. However, where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the delegated officer.

Any remission over 2000 cubic meters of water is to be referred to the Council for decision.

RATES REMISSION ON MĀORI FREEHOLD LAND POLICY

Introduction:

The Remission of Rates on Māori Freehold Land policy explains the criteria and conditions used to determine whether rates should be waived on this land. The Ōpōtiki District has a significant amount of Māori Freehold land.

1. BACKGROUND

Section 108 of the Local Government Act 2002 allows for Councils to adopt a policy on remission and postponement of rates on Māori freehold land.

Under a 2021 amendment to the Local Government (Rating) Act 2002, entire Māori freehold land rating units that are unused are now non-rateable.

This remission policy is therefore intended to cater to situations where a significant part of a Māori freehold land rating unit may be unused, and a remission of rates based on the unused portion of the rating unit is considered fair.

2. DEFINITIONS

Māori freehold land is defined by the Local Government (Rating) Act 2002 as being "Land whose beneficial ownership has been determined by the Māori Land Court by freehold order³." The same Act states (Clause 91):

"Except where this part otherwise provides, Māori freehold land is liable for rates in the same manner as it if were general land."

The term "unoccupied" means that the land is not occupied. Occupation is where person/persons do one or more of the following for his or her profit or benefit:

1. Leases the land.

³ [Local Government \(Rating\) Act 2002 No 6 \(as at 23 August 2023\), Public Act 5 Interpretation – New Zealand Legislation](#)

2. Resides upon the land.
3. Depastures or maintains any livestock whatsoever on the land.
4. Cultivates the land and plants crops there on.
5. Stores anything upon the land.
6. Uses the land or any improvements thereon in any way.

3. SUMMARY

Council considers this policy for remission of rates on Māori Freehold Land will achieve the aim:

To ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori freehold land have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

4. OBJECTIVES

As per section 114A of the LGRA⁴, the objective of this policy is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.

Council may remit rates on Māori freehold land where the development of that land is likely to provide:

- (a) Benefits to the district by creating new employment opportunities:
- (b) Benefits to the district by creating new homes:
- (c) Benefits to Council by increasing Council's rating base in the long term:
- (d) Benefits to Māori in the district by providing support for marae in the district:

⁴ [Local Government \(Rating\) Act 2002 No 6 \(as at 24 August 2023\), Public Act 114A Remission of rates for Māori freehold land under development – New Zealand Legislation](#)

- (e) Benefits to the owners by facilitation the occupation, development, and utilisation of the land.

In addition, Schedule 11 of the Local Government Act 2002⁵ provides key considerations for Council when determining a rates remission decision. These considerations are:

- (a) Supporting the use of the land by the owners for traditional purposes.
- (b) Recognising and supporting the relationship of Māori and their culture and traditions with their ancestral land.
- (c) Avoiding further alienation of Māori Freehold Land.
- (d) Facilitating and incentivising any desire of the owners to develop the land for economic use.
- (e) Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- (f) Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- (g) Recognising and taking account of the importance of the land for the community goals relating to:
 - (i) Presentation of the natural characteristics of the coastal environment;
 - (ii) Protection of outstanding natural features; and
 - (iii) Protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- (h) Recognising the level of community services provided to the land and its occupiers.
- (i) Recognising matters related to the physical accessibility of the land.

⁵ [Local Government Act 2002 No 84 \(as at 01 October 2023\), Public Act – New Zealand Legislation](#)

5. THE REGISTER

Council will maintain a register titled the “Māori Land Rates Relief Register (‘the Register’) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

The Register will comprise two category lists, these being:

1. The “Māori Land General Remissions List”
2. The “Māori Land Economic Adjustment Remissions List”

6. MĀORI LAND GENERAL REMISSIONS LIST

Objective

The objective of this remission policy is to permit the Council to remit part or whole of the rates where the below criteria is met and where doing so would facilitate the objectives of section 114A of the LGRA.

Conditions and criteria

For application details, refer to the beginning of the policy.

Council will consider remission for property that comes within the following criteria:

The land is unoccupied and:

- (a) The land is set aside as Waahi Tapu; or
- (b) The land is set aside for the preservation of natural characteristics of the coastal environment; or
 - to protect the outstanding natural features; or
 - to protect significant indigenous vegetation and significant habitats or indigenous fauna ; or
- (c) The land is inaccessible
- (d) The land is unused

The remission for land recorded in the Māori Land Remissions List will be up to 100% of any rates except targeted rates made for water supply, sewerage disposal or waste management.

7. MĀORI LAND NON-RATEABLE LIST

Council will consider non-rateable status for property that meets the following criteria:

1. The land is entirely unused and;
 - a. Meets the criteria set out in section 55 of the amendment act.
2. Or for land which meets the criteria of non-rateable land under Schedule 1 of the LGRA⁶, including:
 - a) Nga Whenua Rahui kawenata land under the reserves and conservation acts.
 - b) Education land including:
 - a. Wānanga.
 - b. Kura Kaupapa Māori.
 - c. Special programmes under the education and training act.
 - c) Urupa.
 - d) Māori customary land.
 - e) Marae or meeting place.
 - f) Māori reservation held for the common use and benefit of the people of New Zealand.
 - g) Unused rating unit of Māori freehold land.

The non-rateable land recorded in the Māori Land Non-Rateable List will be up to 100% of any rates. Council will periodically review the status of any land on the non-rateable list to ensure the requirements are still being met.

⁶ [Local Government \(Rating\) Act 2002 No 6 \(as at 24 August 2023\), Public Act Schedule 1 Categories of non-rateable land – New Zealand Legislation](#)

8. MĀORI FREEHOLD LAND - ECONOMIC INCENTIVES REMISSIONS

Objective

The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.

Remission Period

Up to five years at the discretion of Council.

Remission Value

Up to 100% of rates.

Conditions and Criteria

1. The Council may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the Council is satisfied that the development is likely to have any or all of the following benefits:
 - a. benefits to the district by creating new employment opportunities;
 - b. benefits to the district by creating new homes;
 - c. benefits to the council by increasing the council's rating base in the long term;
 - d. benefits to Māori in the district by providing support for marae in the district;
 - e. benefits to the owners by facilitating the occupation, development, and utilisation of the land.
2. A remission application must be made in writing.
3. The Council may remit all or part of the rates having considered the duration of the development and the stages of

development, having regard to when the ratepayer is likely to generate income from the development or in the case of housing when the dwelling is likely to be used.

4. The Council may put conditions on a remission including consideration of commencement and completion of the development.
5. Eligibility for this remission will be reviewed once the remission period expires. The Council may provide rates remission for other purposes if these remissions ensure ratepayers are treated equitably by the Council.

Write-offs

The Chief Executive may write off all or part of outstanding rates for a rating unit of Māori freehold land when the following criteria is met:

- a) The rates are payable by a person beneficially entitled to a deceased owner's beneficial interest in the land; and
- b) The rates were payable by the deceased owner at the death of the owner.

REVIEW OF THIS POLICY

Refer to Policy Index for the Policy owner. This policy will be reviewed at least once every three years, or as otherwise required by legislation.

RELEVANT LEGISLATION

The following is a summary of the major matters for Māori freehold land as provided in local Government legislation.

1. Local Government (Rating) Act 2002
 - a. The Act provides many clauses to address the nature of Māori Freehold Land. For example: trustee liability, multiple landowners, deceased owners, unproductive land, separation of land.
 - b. Provision for the chief executive of Council to write-off rates that cannot be recovered.
 - c. Provision of remissions on land under development.
 - d. Non-rateable land
 - i. Nga Whenua Rahui kawenata land under the reserves and conservation acts.
 - ii. Education land including:
 1. Wānanga
 2. Kura Kaupapa Māori
 3. Special programmes under the education and training act
 - iii. Urupa
 - iv. Māori customary land.
 - v. Marae or meeting place
 - vi. Māori reservation held for the common use and benefit of the people of New Zealand
 - vii. unused rating unit of Māori freehold land
2. Local Government Act 2002
 - a. Consider the matters in Schedule 11 in developing a Remission on Māori Freehold land Policy.
 - i. supporting land for traditional purposes
 - ii. recognising the relationships with ancestral lands
 - iii. avoiding further alienation of the land
 - iv. facilitating development
 - v. taking account of waahi tapu
 - vi. recognising the importance of the land to Marae and papakainga
 - vii. recognising the importance of the land for community goals
 - viii. recognising the level of community services provided to the land recognising the physical accessibility to the land.