

Extra-ordinary Whangarei District Council

Notice of Meeting

A extra-ordinary meeting of the Whangarei District Council will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
13 June 2012
1.00pm**

Committee

His Worship the Mayor (Chairperson)
Cr C B Christie
Cr S J Deeming
Cr A J Edwards
Cr S M Glen
Cr P R Halse
Cr J S Jongejans
Cr G M Martin
Cr B L McLachlan
Cr S L Morgan
Cr K J Sutherland
Cr W L Syers
Cr M R Williams
Cr J D T Williamson

1. Rates Remission and Postponement Policies

Reporting officer Alan Adcock (Group Manager Support Services)

Date 05 June 2012

Vision, mission and values

This item is in accord with Council's vision, mission and values

Local Government Act 2002 – The four well-beings

- Cultural** *Setting of rates recognises the significance of cultural values. WDC has developed policy in relation to rates relief for Maori land to meet the requirements of the Local Government Act 2002.*
- Economic** *The primary purpose of rates when set is to achieve a fair balance between user pays principles, fairness and equity between ratepayers, and encouraging economic development where possible.*
- Environmental** *The setting of rates includes relief by way of remission of rates on properties where land or portions of land have been covenanted for protection purposes.*
- Social** *WDC has also developed policy in relation to rates postponement or remission which recognises hardship or special circumstances related to land values and applies these to create a greater balance of social needs within our communities.*

Introduction

Whangarei District Council's 2012 2022 draft Long Term Plan was adopted for consultation on 14 March 2012 and opened for submissions on 23 March 2012 in accordance with the requirements of the Special Consultative Procedure (SCP) of the Local Government Act 2002. Submissions closed on 23 April 2012.

While not required as part of the LTP, Council included some proposed changes to Rates and Remissions Policies within the draft LTP so that consultation could be completed at the same time. Council is required to review these policies every six years, but has chosen to do so this year i.e. three years after the last review.

The public have now had the opportunity to present their views with an option to speak and elaborate on their submissions. It is now for Council to consider and respond to the submissions received to enable the policies to be reviewed and adopted

Four submissions were received on the policies, with two submitters attending the hearings held 14-18 May in the Council Chambers at Forum North to present their views to the Councillors in person.

Process

Submitters have had the opportunity to speak to their submission at a public hearing. These hearings were notified as part of the submissions process. All submitters received a letter or email of acknowledgement and those who indicated that they wish to speak to their submissions were contacted again to confirm their hearing time and date.

All submissions have now been summarised and where appropriate staff have provided commentaries to assist Council in its decision-making processes. The process from here is as follows:

- Council is now being asked to consider the submissions and any further information provided at the hearings, and to deliberate on the submissions.
- The final policies will incorporate the decisions of Council and will be presented to Council for adoption.
- Submitters will be advised of the decisions made.

Discussion

The submissions received related to four policies as follows:

Policy 12/102

Background

This policy was introduced to give some rates relief for the development of new sections where title had been issued but the property was unsold, leading to high holding costs. Remission of the fixed charges (the Uniform Annual General Charge, the District-wide Refuse Management Charge and any other targeted rates) is allowed under the policy, as long as the properties are still held under the name of the original developer. We are one of a small number of Councils that offer rates relief of this kind.

Up until now the remission granted was 'open-ended', in that it was available for as long as it took for the property to sell. It also gave the most relief to the Residential sector, as the fixed charge element that was remitted formed a greater percentage (23% on average) of the overall rate bill than a Commercial subdivision.

Two changes to the policy were proposed in the draft LTP:

- Allowing the remission of 20% of the value based general rates charge for Commercial subdivision, and
- Limiting the period of rates relief at five years from the date of subdivision. As an interim measure all existing subdivisions were allowed a further four years i.e. their remissions would end on 30/6/2016.

Based on the current status of subdivided properties in the District, remission currently being given under the policy total approximately \$625,000 per annum. In the normal course of events this amount would reduce over time as individual sections are sold, but with no cap on the time period, a portion could stay in place for an extended period.

By introducing a limit of five years on the remission we are effectively giving about a year's rates relief in total if the property is unsold.

Summary of Submissions and Discussion

No submissions were received about extending the relief for Commercial subdivision and it is recommended that this change is adopted.

One submission was received opposing the limit of five years, on the basis that it discouraged development, and in particular that it compromised the financial viability of a subdivision that is in the final stages of completion for succession planning purposes, with the process started in the expectation that the present policy would continue. In summary, the explanation given was that a coastal farm was split up to allow four family members to retain an interest in the land, but that there was no intention to on-sell the properties.

In general terms this argument has some merit, provided the titles issued 'match' the number of successors. However, in this case the development will ultimately comprise around 50 separate coastal sections, which clearly become saleable assets in the future. While it can be argued that this is part of an overall succession plan, there are also elements of property development for commercial gain.

On this basis there is no clear reason to alter the proposed change in policy.

Another submission suggested that this policy should be combined with 09/611, which is not recommended as an appropriate step.

Recommendation

No changes are made to the draft policy.

Policy 09/309

Background

This policy allows for the remission of 50% of rates for land that is owned and occupied by community sports and other organisations.

Summary of Submissions and Discussion

A submitter requested that the word 'owner' is removed from the criteria, effectively widening the policy to include the landlord of properties that have community groups as their tenants.

The policy is intended to support the "ongoing provision" of community and recreational services and to "assist the organisation's survival".

If the requested change is made it would open up the policy to situations where recreational activities are temporarily located on undeveloped/vacant land to achieve short term rating relief for the landowner, rather than meeting the objectives to policy was established to achieve.

It is not recommended that any change is made.

Recommendation

No changes are made to the draft policy.

Policy 09/611

Background

This policy gives rating relief to unoccupied Maori Freehold Land that is held in multiple ownership. Most land in this category does not (or is effectively incapable of) producing an economic return.

No change was proposed to this policy in the draft LTP.

Summary of Submissions and Discussion

One submitter requested that this policy be extended to cover all unoccupied or unimproved land.

The main driver of this policy is the fact that is held in multiple ownership as Maori Freehold Land, which is the primary factor in its inability to produce an economic return. As this factor is unique to Maori land, it is not appropriate to extend the policy further.

The proposed change is not recommended for adoption.

Recommendation

No changes are made to the draft policy.

Policy 12/412

Background

This policy was introduced to provide rating relief for farms where the land value had increased due to its potential for development as residential blocks i.e. the land valuation for rating purposes assumed a different use to its 'actual' use as a farm. In introducing the policy Council had determined that it did not wish to see the 'forced' development of farms, some of which had been in the same family for multiple generations.

The policy effectively instructs our valuers to value the property purely as a farm, regardless of its other potential uses.

The policy has been an effective tool, but the wording within it has meant that some of the properties that have been gaining relief were not those that were intended when the policy was introduced. In particular, large companies have been 'land banking' properties for future commercial development (particularly in Bream Bay), but have maintained marginal farming operations to qualify for the policy. At the other end of the scale, owners of lifestyle properties which are primarily residential were claiming they were 'farms' and qualified under the policy by grazing a few livestock.

Working on the basis that the policy is intended to provide relief solely to genuine farming operations that would otherwise be forced to cease farming due to the rating burden, two changes were proposed in the draft LTP:

- That the policy would only apply to properties not less than 30ha in size, and
- That the property had to be the principal source of revenue for the owner, who must also be the actual operator of the farm.

These changes were intended to rule out situations like those outlined above.

Summary of Submissions and Discussion

Two submissions were received on this policy.

The first requested that the policy be extended to cover horticultural blocks of less than 5ha as well. This specific change is not recommended as it is irrelevant to the intent of the policy i.e. there is no obvious pressure to replace horticultural activity with residential development.

The second submitter, who operates a fish farm on a 14.5ha site has gained relief under the policy for some time, but would not qualify under the proposed new criteria on two grounds; with the size being under 30ha and the property not providing the primary source of income. However, it is evident that this is not a speculative operation or a 'farm of convenience' having been in place for many years and contributes a 'significant' income in overall terms.

Consideration could be given to widening the criteria to include genuine intensive farming operations on smaller sites, although any relaxation of the proposed changes re-introduces the potential for unintended relief in the future.

Recommendation

That the conditions and criteria of Policy 12/412 be amended to:

- 4 The farming operation must provide the majority of revenue for the owner of the land who must be the actual operator of the farm, and
- 5 The area of the land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.

Recommendation

1. That the information be received.
2. That after deliberating, the recommendations in this report, after any amendments and where appropriate, be incorporated into the Rates Postponement and Remissions Policies.
3. That Council adopts the Rates and Remissions Policies (including any amendments following deliberation) to take effect from 1 July 2012.

Attachment

[Rates Remission and Postponement Policies](#)

Rates Remission and Postponement Policies

June 2012

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Policy 12/101

Remission of some uniform annual general charges and/or targeted rates on separately used and inhabited parts of rating units

Background

This Council levies rates on separately used and inhabited parts of a rating unit (including separate areas capable of separate occupation). In some cases, the application of this may result in inequity, and where the property is used for both business and residential purposes, or where the residential property has a separate dwelling, unit, flat or apartment which is used by family members a remission may apply.

Objectives of the Policy

The policy provides the ability for rates relief where the rating unit has more than one separately used and inhabited part and the rates assessed include more than one uniform annual general charge and/or targeted rate and where the rating unit is:

- (a) Separately used by one occupier for both business and residential purposes; or
- (b) Used for residential purposes and the separately inhabited part is occupied by a member of the family (first degree relative) of the owner of the rating unit on a rent free basis.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. The rating units in (a) above 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 their business and residence; or -
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 on a rent-free basis. The family member must be a first degree relative to the owner for example, grandparent, parent, children, or sibling.
3. The owner(s) of the rating unit must complete and provide to the council a statutory declaration stating that the conditions in either (1) or (2) above apply. Such a declaration will be effective from 1 July following the date of application for 3 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 3 year period.
4. The rates which may be remitted are as follows:
 - (a) for rating units in both (a) and (b) above, any uniform annual general charge and/or uniform targeted rate for waste facilities and/or any other targeted rate assessed in respect of the rating unit, apart from the first of each; and
 - (b) in addition, for rating units in (b) above, any uniform targeted rate for sewerage services assessed in respect of the rating unit, apart from the first.
5. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the council or a committee of council if considered appropriate to do so.

Policy 12/102

Remission of some general rates and uniform annual general charges and targeted rates on rating units which are in common ownership but do not meet the criteria of a contiguous property

Background

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

Objectives of the Policy

To allow Council to remit any uniform annual general charge or any targeted rate on any rating unit created as a result of subdivision that falls outside the automatic exemption provisions of section 20 of the Local Government Rating Act 2002. To encourage development in the district, if it is in Council's interests to do so, by allowing short term relief from full rates to property developers.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. The rating units must have been created in accordance with Council's subdivision development requirements.
2. The rating units must be vacant land.
3. The rating units must be in the name of the ratepayer actually subdividing the land.
4. The rates which may be remitted for all properties are any uniform annual general charge and/or uniform targeted rate for waste facilities and/or any other targeted rate.
5. In addition, all properties rated as commercial will receive a remission of 20% (twenty per cent) of the value based general rates.
6. The remissions will apply to only the second or subsequent rating units of any subdivision.
7. From 1 July 2012 any remissions will only apply for a period of five years. Where remissions have been granted in previous years, further remissions will apply for the next four rating years.
8. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the council or a committee of council if considered appropriate to do so.

Policy 09/103

Remission of Some Uniform Annual General Charges and Targeted Rates on Separately Used or Inhabited Parts of a Rating Unit

Background

There are some instances where properties are used in conjunction with each other, but they may not be contiguous or adjacent. This particularly applies in farming situations where properties may be separated, but they are used in one farm operation. Strict compliance with the legislation results in an inequitable result, and this policy allows for remissions in these rare circumstances.

Objectives of the Policy

To allow Council to remit any Uniform Annual General Charge or any targeted rate on any separately used or inhabited part of a rating unit where common or like occupancies occur or where the separately occupied portions are deemed to be operating as a single purpose unit.

To allow Council to remit any Uniform Annual General Charge or any targeted rate on any separately used or inhabited part of a rating unit where special circumstances apply and it is considered fair and reasonable to do so.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. Council is satisfied that the separately used or inhabited parts of a rating unit are considered to be a single purpose function.
2. In the case of (1) above remission will apply to all separately used or inhabited parts of the rating unit, apart from the first.
3. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the council or a committee of council if considered appropriate to do so.

Policy 09/204

Discount for Early Payment of Rates in Current Financial Year

Background

A discount is granted where the full annual rates are paid on the due date of the first instalment.

Objectives of the Policy

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

Conditions and Criteria

1. A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.
2. That the amount of the discount be set each year in accordance with that provided in Council's Annual Plan or Long Term Plan.
3. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to resolve any matters pertaining to the discount provisions of Council policy.

Policy 12/205

Remission of Penalties

Background

Penalties are charged where instalments are not paid on due dates. In addition, where previous years arrears remain unpaid three months after the end of each rating year a further penalty is applied.

Objectives of the Policy

The objective of the remission policy is to provide remission of penalties charged where it is fair and equitable to do so. To provide the ability to remit penalties on rates where reasonable grounds exist or to encourage payment of arrears and/or payment by Council's preferred direct debit option.

Conditions and Criteria

Council may remit the penalty rates where the application meets the following criteria:

1. Remission of penalties will be considered in any 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. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
3. In considering the remission of any penalty a good payment record or otherwise may be taken into account.
4. Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears and savings in debt collection costs.
5. Where it facilitates the future payment of rates by direct debit within a specified timeframe.
6. Council may remit small balances due to cash rounding or where the balance outstanding is considered uneconomical to pursue.
7. Where a ratepayer enters into an agreed payment arrangement to pay off arrears in a specified timeframe, penalty suppression may be granted for future penalties that fall due within that period.
8. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to resolve any matters pertaining to the remission of penalties in accordance with this policy.

Policy 12/306

Remission of Excess Water Rates

Background

Consumers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it is reasonable to allow a reduction in charges in these circumstances.

Objectives of the Policy

To provide relief to ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit where it is Council's interests to do so.

Conditions and Criteria

Council may remit the excess water rates where the application meets the following criteria:

1. A remission will only be considered where immediate action to repair or minimise water loss is taken on notification. Any remission will only apply up to the date the ratepayer became aware of or was notified of the leak.
2. A remission will not normally be granted where the leak is the result of poor workmanship or incorrect installation.
3. That all applicants are requested to submit their application in writing.
4. That details of the location and the repairs to the reticulation be submitted for verification (e.g. plumbers repair account) and information supplied showing due diligence in the repair of the leak.
5. That residential ratepayers and small businesses with residential like usages be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption over and above that charged is considered for remission.
6. That commercial ratepayers be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption above that is charged at a marginal rate (as determined by the Water Services Manager) at the time of the leak.
7. That the ratepayer be offered the opportunity to pay the account off by instalments where the excess amount is considered excessive and demand for payment in full may cause financial hardship.
8. Any remission under this policy is a "one-off" and any further remissions for subsequent leaks on the same reticulation supply line may only be granted if the full reticulation system is replaced. Where there are special circumstances which prevent this any remission will only be given at the discretion of the Water Services Manager.
9. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the council or a committee of council if considered appropriate to do so.

Policy 09/308

Remission of School Sewerage Charges

Background

Educational establishments are required to provide a larger number of toilet facilities than would normally be required. The increase in number of available pans, does not necessarily reflect in an increase in use or impact on the sewerage network. Council believes it is more equitable to allow a reduction based on the number of students actually using the facilities.

Objectives of the Policy

To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying sewerage charges.

Conditions and Criteria

1. The policy will apply to the following educational establishments:
 - (a) established as a special school under section 98(1) of the Education Act 1964: or defined as -
 - (b) a state school under section 2 (1) of the Education Act 1989; or
 - (c) An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
 - (d) A special institution under section 92 (1) of the Education Act 1989; or
 - (e) An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.
2. The policy does not apply to school houses occupied by a caretaker, principal or staff.
3. The sewage disposal rate in any one year may not exceed the amount calculated under clause 4.
4. The sewage disposal rate is the rate that -
 - (a) would be levied using the same mechanism as are applied to other separately rateable rating units within the district divided by the number of toilets as determined in accordance with condition 5 below (the full charge); and
 - (b) reduced in accordance with the following graduated formula:
 - the full charge for each of the first 4 toilets or part thereof;
 - 75% of the full charge for each of the next 6 toilets or part thereof;
 - 50% of the full charge for each toilet after the first 10.
5. For the purpose of clause 4 (a) above the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof.
6. The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.
7. The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.
8. The Financial Services Manager or Group Manager – Support Services will be given delegated authority to consider applications for the remission of any sewerage charges in terms of this policy.

Policy 09/309

Remission of Rates for Community, Sports and Other Organisations

Background

Community and voluntary groups provide facilities for residents which enhance and contribute to their wellbeing. Council wishes to encourage such groups by providing a reduction in rates levied.

Objectives of the Policy

- To facilitate the ongoing provision of non-commercial (non-business) community services and/or recreational opportunities that meets the needs of Whangarei residents.
- To facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Whangarei residents.
- To assist the organisation's survival; and
- to 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

Council may remit rates where the application meets the following criteria:

1. The policy will apply to land owned by the council or owned and occupied by a charitable or non-profit organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge tuition fees.
3. The policy will 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.
4. The application for rate remission must be made to the council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
5. Organisations making application should include the following documents in support of their application:
 - Statement of objectives;
 - Full financial accounts;
 - Information on activities and programmes;
 - Details of membership or clients.
6. The policy shall apply to such organisations as approved by the Group Manager – Support Services as meeting the relevant criteria.
7. The rates to be remitted will be 50% of all property rates applied, including targeted rates for sewerage connection (but not including metered water) with the exception of community halls which will receive 100% remission.

Policy 09/410

Postponement of Rates – Extreme Financial Hardship

Background

From time to time Council is approached by ratepayers who are experiencing financial hardship. Staff will work with applicants to help meet their commitments with payment options, payment arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

Objectives of the Policy

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

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. As a general rule the ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within Whangarei District for not less than 2 years.
3. The rating unit must be used solely for residential purposes.
4. 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 investment realisable assets.
6. The ratepayer must make application to the council on the prescribed form.
7. Even if 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, for example by setting up a system for regular payments.
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 the council's administration and financial costs.
10. The policy will apply from the beginning of the rating year in which the application is made although the council may consider backdating past the rating year in which the application is made depending on the circumstances.
11. Any postponed rates will be postponed until:
 - (a) the death of the ratepayer(s); or
 - (b) until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - (c) until the ratepayer(s) ceases to use the property as his/her residence; or
 - (d) until a date specified by the council as determined by the council in any particular case.
12. 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 postponed pursuant to this policy.
13. Postponed rates will be registered as a statutory land charge on the rating unit title.
14. The Group Manager – Support Services will be given delegated authority to consider applications for rates postponement and approve or decline them as appropriate. This delegated authority does not preclude any application for postponement being referred to the council or a committee of council if considered appropriate to do so.

Policy 12/412

Postponement and Remission on Specific Farmland Properties

Background

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates levied would be a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

Objective of the Policy

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

Conditions and Criteria

1. The properties will be identified and the rates postponement values will be determined by Council's Valuation Service Provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
 - (a) So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
 - (b) So as to preserve uniformity and equitable relativity with comparable parcels of farmland the valuations of which do not contain any such potential value.
 - (c) May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in Council's differential rating system.
4. The farming operation must provide the majority of revenue for the owner of the land who must be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.

Effect of Rates Postponement Values

1. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.
2. The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
3. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

Rates Levied before Postponement Values Set

Where Council has levied rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

Additional Charges

No additional charges will apply on any rates postponed under the rates postponement values system.

When Postponed Rates Become Payable

All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:

- (a) The land ceasing to be farmland;
- (b) The interest of the owner of any part of the land is passed over to or becomes invested in some person or other party other than;
- (c) the owners spouse; or
- (d) the executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

Transitional arrangements

Where a property currently receives a remission under this policy and it no longer meets the amended criteria when the property was reviewed as at 1 July 2012, the property will continue to receive postponement until the triennial district revaluation as at 1 September 2012 takes effect.

The rates postponed up to that date will become payable in accordance with this policy or will be remitted at the expiry of five years after the end of the rating year (30 June) to which the postponement applies.

Postponed Rates to be a charge on the Rating Unit

Where Council has postponed the requirement to pay rates in respect of a rating unit, a charge will be registered on the rating unit under the Statutory Land Charges Registration Act 1928.

Policy 09/413

Postponement and/or Remission of Rates and Charges on Properties Affected by Natural Calamity

Background

This policy recognises that where land has been affected to the extent that the land is irretrievably damaged, where it cannot be used, then the application of full rates could cause financial hardship.

Objective of the Policy

The objective of the policy is to enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

Conditions and Criteria

1. All applications must be in writing and should be supported by documentary evidence as to the extent of the damage.
2. Council may remit wholly, or in part, any rate or charge made and levied in respect of any land affected by natural calamity, where it considers it fair and reasonable to do so.
3. The Group Manager – Support Services will be given delegated authority to consider applications for rate relief and to approve or decline them as appropriate. This delegated authority does not preclude any application for relief being referred to the council, or a committee of council, if considered appropriate to do so.
4. If an application is approved, the Council may direct its valuation service provider (if considered appropriate to do so) to inspect the rating unit and prepare a valuation that will take into account any factor that could affect the use of the land as a result of the natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature then the valuation service provider's decision will be final.

Policy 09/611

Remission of Rates on Unoccupied Maori Freehold Land

Background

Some Maori freehold land in the Whangarei District is unoccupied and unimproved. This land creates a significant rating burden on the Maori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

Policy

A remission of all or part of rates may be granted in respect of multiple-owned Maori freehold land which is unoccupied or unproductive.

Objectives of the Policy

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

Conditions or Criteria

1. The land must be multiple-owned and unoccupied Maori freehold land which does not produce any income.
2. The land or portion of the land must not be “used”. This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non- useable land.
4. A request for rates remission by the owners must include:
 - a) Details of the land
 - b) Documentation that shows the ownership of the land
 - c) Reasons why remission is sought.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.
7. Any appeals against the decision of the Group Manager – Support Services will be referred to the Finance & Support Committee for final determination.
8. The Financial Services Manager and the Group Manager – Support Services have delegated authority to grant or refuse remissions under this policy.

Policy 12/614

Postponement of Rates on Maori Freehold Land

Background

The difficulty in establishing and contacting owners or occupiers of Maori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

Objectives of the Policy

To encourage the development and use of Maori freehold land where Council considers the full payment of the rate arrears would be a disincentive.

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Maori freehold land.
2. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
3. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be remitted.
4. Council reserves the right to reapply the rates postponed should the agreement not be met.