

Te kaupapa whakatārewa me te whakataha reiti (Whenua katoa)

Rates Remissions and Postponement Policy (All Land)

1. Introduction

The Bay of Plenty Regional Council (Council) uses rates remissions as a tool to provide for increased affordability and equity in the rating system. Council's Revenue and Financing Policy describes the funding sources for each activity which includes general and targeted rates.

Council's rates are applied based on location, value, size and/or services provided to the land. This system is applied across the region and the rates setting process considers affordability and equity at a macro level. Rates remissions are designed to allow for specific circumstances at an individual level that cannot be effectively or efficiently incorporated into the rating system based on the data that is used to set rates.

2. Policy context

Council has two policies covering rates remissions and postponements. One sets out the rates relief available to all types of land (this policy) and the other deals with provisions specifically for Māori Freehold Land and land with similar characteristics.

For the avoidance of doubt, Māori Freehold Land is eligible for rates remissions under both policies, subject to meeting the criteria in each.

3. Legislative context

Non-rateable properties

The Local Government (Rating) Act 2002 identifies categories of land that are wholly or partly non-rateable in Schedule 1. Properties that are wholly non-rateable under the Local Government Rating Act should be recorded as such in the Rating Information Database so that rates are not assessed on that property. Properties that are partly non-rateable will be recorded in the Rating Information Database as such and may receive further rates relief through remissions provided for in this policy.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

Contiguous properties treated as a single unit

The Local Government (Rating) Act 2002 provides that two or more rating units must be treated as one unit for assessing a rate if those units are—

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

For clarity, Council will follow rating legislation in determining whether properties are treated as one rating unit. Except where legislation relating to Māori Freehold Land provides otherwise (LGRA s20A), Council will not consider additional rates relief for properties that do not meet all three of these conditions.

4. Policy principles and approach

Council will act fairly and reasonably when collecting rates and charging penalties, considering the circumstances of the ratepayer.

Assistance should be provided to homeowners on very low incomes to help meet the costs of complying with regulations or property improvement schemes that also benefit the wider community, or where their hardship affects their ability to pay rates.

Where the application of targeted rates set by Council results in disproportionate rates liability for some properties, remissions policies will be developed to address the issue.

Council generally uses rates remissions in preference to rates postponements because rates postponements accumulate a debt over time which could undermine the overall purpose of providing for affordability (by creating a larger burden over time) and equity (because an inequitable rated amount should be waived). In some circumstances, however, rates postponements are appropriate, especially where affordability changes over time and so postponement may achieve equity over time.

When developing new policies, Council will consider providing a smooth transition for ratepayers.

Council may assist property owners to use or develop their property in a way that provides wider benefits to the community or assists Council with its core activities.

Some land is made non-rateable by the Local Government (Rating) Act and Council wishes to extend relief by way of remission to rateable land that has characteristics similar to non-rateable land.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

Examples of these may include.

- Land used for charitable purposes, such as providing free or low-cost services to the community.
- Land used or owned by certain organisations for public benefit, such as museums, parks, gardens, or sports grounds.

5. Environmental and Sustainable Home Loan Repayment Scheme remission

5.1 Background

The Environmental Loan repayment scheme helps upgrade heating devices to clean heating devices and ratepayers to install insulation by providing an interest free loan for zero emission products and interest bearing loans for low emission burners and insulation to homeowners. Loan repayments are made via targeted rates.

5.2 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 and/or install insulation. Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Environmental Loan repayment scheme.

5.3 Conditions and criteria

Ratepayers who take up the Environmental Loan Scheme or Sustainable Homes Loan Scheme and who qualify for the Government Rates Rebate Scheme qualify for a remission on the loan repayments of the targeted rates 'Environmental Loan Scheme' and/or Sustainable Homes Loan Scheme.

- To apply for a rates remission under this policy, ratepayers must first contact their city or district council and apply for the Rates Rebate Scheme.
- Once the city or district council authority approves the ratepayer for the Rates Rebate Scheme, the ratepayer will receive the rates remission under this policy automatically from Council.

If the loan is for a wood or pellet burner, or insulation, then the loan interest is still payable each year.

Council reserves the right to require an annual review to ensure that the property is still eligible for the remission, for example continued qualification for the Rates Rebate Scheme.

6. Forestry and bush remission

6.1 Background

Where a rating unit has been planted in exotic forest, or is covered in indigenous vegetation or wetlands, it is considered to have the lowest nitrogen loss of any land use type. Reducing nitrogen loss from land use is a central platform for the Rotorua Lakes Protection and Restoration Action programme. To support this, Council provides a remission to the Rotorua Lakes Activity Targeted Rate for rating units of 10ha and over in the areas that meet the criteria and conditions specified below.

6.2 Objective

To recognise the lesser impact that exotic forestry and indigenous vegetation, and wetlands, have on nutrient discharges to water.

6.3 Conditions and criteria

Remission will be considered where an entire rating unit is covered in any or a mix of the following: indigenous vegetation, wetlands, or exotic forestry.

- The remission will only apply where stock are excluded from the rating unit.
- The remission will be the difference between the amount assessed to the rating unit for the Rotorua Lakes Programme Targeted Rate and the amount the rating unit would be liable for if it was assessed in the 0–1.99999ha category.

Once a remission is accepted by Council, the Ratepayer does not need to re-apply annually however the Ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate. Council reserves the right to undertake a review to ensure that the property is still eligible for the remission.

7. Edgecumbe Urban River Scheme remission

7.1 Background

The Rangitāiki-Tarawera River Scheme targeted rates are calculated on land area. In the case of some commercial urban and residential rating units in the Edgecumbe area, this led to a small number of urban properties with large land area incurring extremely high and disproportionate annual rates compared to other urban properties. Scheme rating maps for all major river and drainage schemes are available from Bay of Plenty Regional Council. For detail on how to access these maps visit our website www.boprc.govt.nz.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

7.2 Objective

The objective of the Edgecumbe Urban River Scheme Rate Remission is to provide rates relief and ensure:

- Rates assessed to undeveloped commercial urban properties in the targeted rate U1 category with large land area are comparable to other rating units in the Rangitāiki-Tarawera Rivers Scheme
- Rates assessed to residential urban properties in the targeted rate U2 category with large land area are comparable to other residential rating units in the Rangitāiki-Tarawera Rivers Scheme.

7.3 Conditions and criteria

This policy will apply to identified Rangitāiki-Tarawera Rivers Scheme targeted rate U1 and U2 category properties.

- For eligibility under this policy, properties must remain urban undeveloped commercial, urban residential or urban lifestyle as the principal use.
- The remission will be the difference between the amount assessed to the rating unit, and the amount the rating unit would be liable for if it was assessed in the U1 or U2 category (as applicable) for the first 4,000m² of land area and the A1 category for the balance of the rating unit's land area.

Once a remission is accepted by Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate. Council reserves the right to undertake a review to ensure that the property is still eligible for the remission.

8. Rates penalty remission

8.1 Background

Council can charge the following penalties on unpaid rates:

- Penalties on current rates that have not been paid by the due date during the year.
- Further penalties on rates charged in previous years which remain outstanding.

8.2 Objective

The objective of this policy is to enable Council to act fairly and reasonably when considering applications for the remission of penalties on rates that have not been paid on time.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

8.3 Conditions and criteria

Council will consider applications for the remission of rates penalties and the ratepayer has a good record of previous payment history, without an approved payment plan in circumstances where:

- a request has been made on compassionate grounds, where there has been significant disruption to the ratepayer such as the death, illness, an accident of a family member or other 'one off' event; or
- matters outside the ratepayers' control such as delayed delivery of sales notice or sale of property coincided or was close to penalty date; or,
- delay in full payment being received to council by the due date which was outside of ratepayers' control, such as bank processing delays; or
- an internal processing error has contributed to the ratepayer receiving a late payment penalty; or
- for another reason, not outlined above for which it would be fair and reasonable to remit all or part of the penalty. Ratepayer must provide supporting evidence for this request to be considered.

The penalty remission only applies when the ratepayer has made full payment.

Where rates further are outstanding, ratepayers will be required to enter into a payment arrangement before any remission of penalties is considered. Council's preferred method of payment is by way of direct debit. Where a payment arrangement is entered into by direct debit, council will consider full remission of the latest penalties.

9. Remission of rates for Queen Elizabeth II National Trust Open Space Covenants

9.1 Objective

To provide rates relief where land is legally protected under a QEII Open Space Covenant.

9.2 Conditions and criteria

Council will consider remissions of rates on land or portion of land that has a QEII Open Space Covenant registered on the record of title.

Calculation of such remissions are to be on a case-by-case basis, with the determination of land value for the covenanted land to be made by an appropriate Valuation Service Provider.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

If the remission is accepted by Council, the Ratepayer does not need to re-apply annually however the Ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

10. Remission of rates for Priority Biodiversity Sites

10.1 Objective

To provide rates relief on Priority Biodiversity Sites (PBS) that are actively managed and legally protected.

10.2 Conditions and criteria

Council will consider remissions of rates on land or a portion of land that:

- has been identified as a PBS by Council
- is actively managed to promote biodiversity e.g. through the implementation of an approved management plan
- is legally protected in a manner recommended by Council staff to provide a level of protection proportionate to the rates relief offered.

The amount of the remission will be:

- limited to the General Rates based on Land Value component of rates
- determined on a case-by-case basis after taking into account
 - the land value for the covenanted land, which must be made by an appropriate Valuation Service Provider
 - the ecological importance of the land and the impact that any rates remission would have on incentivising promotion of biodiversity
 - the relativity of relief offered compared to relief available through other avenues e.g. QEII Open Space Covenant.

Consideration of this remission will involve the Rates Team and the applicable Land Management Team, to ensure eligibility criteria are met.

Once a remission is accepted by Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

11. Remission of rates to incentivise establishment of native forests and wetlands on pasture land retired from production

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

11.1 Objective

To incentivise the retirement of marginal land currently in pastoral land use and the establishment of native forest or wetlands to provide environmental benefits.

11.2 Conditions and criteria

Council will consider applications for remissions of rates on land or a portion of land where:

- landowners have retired pastoral land use and converted to native forest or wetland, either voluntarily or in response to central or local government regulation, after 30 June 2024, and
- the size of the native forest or wetland will be large enough to make a material difference to the environmental outcomes, particularly water quality, and
- the native forest or wetland will be actively managed to promote environmental outcomes through the implementation of a Council-approved management plan, and
- the native forest or wetland is adequately protected and effectively monitored in a manner accepted by Council to preserve the ongoing public benefits (proportionate to the rates relief offered).

The amount of the remission will be:

- limited to the General Rates based on Land Value component of rates, and
- determined on a case-by-case basis after taking into account:
 - the land value of the retired land, which must be made by an appropriate Valuation Service Provider
 - the size of the native forest or wetland to be established and the environmental benefits expected as a result, and
 - the practicable options for protecting and effectively monitoring the environmental benefits, proportionate to the rates relief offered.

Land that will not be eligible for rates remission under this section includes:

- Riparian planting
- Land which has already been converted from pasture to native forests or wetlands prior to 1 July 2024.

Consideration of this remission will involve the Rates Team and other specialist staff e.g. land management teams, to ensure eligibility criteria are met.

Once a remission is accepted by Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate. In addition, Council may also undertake its own monitoring of compliance with the conditions and criteria outlined above, to confirm ongoing eligibility.

12. Remissions for community, sporting and not-for-profit organisations

12.1 Objectives

- To encourage the ongoing provision of non-commercial, non-profit, voluntary community and sporting services to the public
- To make membership of such organisations more accessible to the public, particularly economically disadvantaged residents
- Recognise the social and health benefits to the community of access to sports and recreation facilities
- Support the efforts of volunteers.

12.2 Conditions and criteria

Council will consider applications for remissions of up to 100% of rates on land or a portion of land where:

- The ratepayer (or a long term lessee of the property) is a not-for-profit or charitable organisation, and
- The land is used by the ratepayer (or long term lessee) to provide sports, arts, or community facilities or services to its members and the public and
- The services provided align with the objectives of this policy and contribute to public benefit, and
- There is no private pecuniary profit for the members.

In assessing applications, Council will consider:

- the degree to which the organisation has access to other funding sources, for example corporate sponsorship or central government contracts for service
- the extent of voluntary effort to run the organisation and provide services to the public, compared to paid staff.
- the financial sustainability of the organisation and the impact that a rates remission would have on sustainability of services.

Exclusion: Any land used for galloping races, harness races or greyhound races is not eligible for this remission.

Applications for remission must be completed every three years.

Provision of a remission is at Council's discretion and each application will be considered on its merits. Receiving a remission in any year does not set a precedent for similar remission in any future year.

13. Financial hardship remission

13.1 Objective

To assist ratepayers experiencing financial hardship which affects their ability to pay rates.

13.2 Conditions and Criteria

Remission of rates in part or in whole may be given in cases of extreme financial hardship where it is considered by Council that payment is not appropriate.

Annual applications are required because circumstances of ratepayers will change over time.

Applicants must:

- be a natural person
- be eligible for the Government Rates Rebate Scheme
- not own any other rating unit (excludes interests in multiply-owned Māori Land)
- make an acceptable arrangement for payment of future rates, e.g. set up a system for regular payments.

The rating unit which is the subject of the application must:

- not be vacant land, and
- must be used solely as a domestic residence,
- be the normal place of residence of the applicant.

To determine eligibility for this remission, consideration will be given to:

- The ability of the applicant to access other sources of finance e.g. a mortgage
- Whether the applicant has sought budget advice and if any of the recommendations are relevant for Council to consider.

14. Miscellaneous circumstance remission

14.1 Objective

It is recognised that not all situations in which the council may wish to remit rates will necessarily be known about in advance and provided for in Council's specific policies, or there may be other circumstances in which it is appropriate to apply a remission but it is not provided for in a policy. The purpose of this

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which Council considers it appropriate to remit rates.

14.2 Conditions and criteria

Council may remit rates on a rating unit where it considers it just and equitable to do so because of:

- extraordinary circumstances arising from a change to Council's Rating or Rates Remission policies have resulted in unintended consequences for a rating unit;
- exceptional circumstances where council believes that it is equitable to remit the rates.

The amount and duration of any such relief will be determined by Council on a case-by-case basis.

15. Remission of rates on land that is used for Māori cultural purposes

15.1 Objectives

To recognise that land that is in general ownership may still have special significance to Maori people and, for that reason, to promote the utilisation of that land for cultural purposes that benefit Māori.

15.2 Conditions and criteria

Council may remit up to 100% of rates on a pro-rata basis for the total area of land that is either:

- (a) Used for Traditional or Māori cultural purposes that makes development for economic or housing purposes undesirable, or
- (b) Is subject to waahi tapu or other cultural considerations that makes development of the land for economic or housing purposes undesirable.

Any application for this remission must be supported by appropriate evidence from iwi/hapū.

If the remission is accepted by Council, the Ratepayer does not need to re-apply annually however the Ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

16. Transition remission

16.1 Background

The implementation of this policy from 1 July 2024 may result in some ratepayers no longer being eligible for remissions they were entitled to when Council formerly applied the policies of the respective local councils.

16.2 Objective

To provide a smooth transition following changes in Council policy relating to rates remission and postponement.

16.3 Conditions and criteria

Council may remit rates during the financial year immediately following a change in Council policy relating to rates remission and postponement. Remission would be automatically applied prior for ratepayers, prior to sending rates invoices.

Properties will be eligible for transitional rates remission if:

- The total of rates remissions received in the financial year following a policy review is less than the total of remissions received in the previous financial year, and
- The difference in the total remissions is a result of the change in policy.

The transitional remission will be available for one year only, and calculated as the average of:

- the total remissions that would be granted under the new policy, and
- the total remissions that were granted in the financial year prior to the implementation of the new policy.

17. Decision-making and administrative matters

- Decisions on rate remissions under this policy will be delegated to officers as set out in Council's delegation resolution.
- Relief, and the extent thereof, is at the sole discretion of Bay of Plenty Regional Council and may be cancelled or reduced at any time if new relevant information is discovered and confirmed.
- Application for a remission must be made in writing and should, where practicable, be made prior to the commencement of the rating year, unless stated below that the Council applies the remission automatically.

Draft for consultation - Rates Remissions and Postponement Policy (All Land)

- Council may approve a multi-year remission if the ratepayer(s) provides an undertaking to notify Council of any changes in circumstance that may affect the remission.
- Where Council refers to “land” and “rating unit(s)” in the conditions and criteria of this policy, it will also consider remitting rates on a part or parts of a rating unit where only part of the rating unit qualifies for remission.

18. Policy review

This policy will be reviewed every six years, or earlier if required.