

Rates Remission or Postponement Policies

General Remissions Policy

In addition to mandatory remissions under Part 1 of Schedule One of the Local Government (Rating) Act 2002, that it is Council policy to grant a 30% remission on all rates and uniform charges levied on:

- a) land owned or occupied by or in trust for any society or association of persons, whether Incorporated or not, and used principally for games or sports other than racing, trotting and dog racing (First Schedule, Part 2, Clause 2).
- b) land owned or occupied by or in trust for any society or association or persons, whether incorporated or not, whose object or principal object or one of whose principal objects is to promote generally the arts or any purpose of recreation, health, education or instruction for the benefit or residents or any group or groups of residents of the district.

The schedules for categories of non-rateable land which are fully non-rateable and those categories which are 50% non-rateable are found in Schedule One of the Local Government (Rating) Act 2002.

Policy on Remission or Postponement

Objective

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

Conditions and Criteria

1. Upon receipt of an application by a ratepayer, or if identified by the Council, Council may remit or postpone rates or penalties where it is demonstrated that the rates or penalty has been levied because of an error by the Council.
2. Upon receipt of an application from the ratepayer, and subject to the qualification below, the Council may remit a penalty where:
 - (a) the ratepayer has a two-year history of regular payment of rates or can demonstrate that the delay in payment is due to an extraordinary circumstance.
OR
 - (b) the ratepayer has entered into an agreement with the Council for the payment of rate arrears, and that agreement is being complied with.
OR
 - (c) the ratepayer has set up automatic payments set at such a level that the annual rates are paid over the financial year.
3. Upon receipt of an application by a ratepayer, or if identified by the Council, Council may postpone rates or penalties where it is demonstrated that the rates or penalty that have been levied are causing extreme financial hardship to the ratepayer.

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Applications under this criteria will generally only be considered when applicants:

- (a) are unable to pay their rates because of personal circumstances,
- (b) have tried all other avenues to fund their rates,
- (c) have no significant assets,
- (d) are prepared to receive a legal charge to the Council over the property.

Conditions

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

Decisions

Decisions on the remission or postponement of rates and penalties are delegated to Council Officers. All delegations are recorded in the Council's delegation manual.

Rates Remissions Policy for Economic Development

Objectives of the Policy

To promote employment and economic development within the city by offering rates remission to:

- Assist new businesses to become established in the city
- Assist existing businesses in the city to expand and grow.

Conditions and Criteria

This 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. Residential developments will not qualify for remission under this Policy.

In considering applications for remission Council will have regard to the extent applications meet the following guidelines:

- The development is of importance for the future economic development of the city. This may be demonstrated by the scale, type or nature of the development.
- The number of new employment opportunities the development will create. Generally development would be expected to create a minimum number of new full-time equivalent jobs (as defined in the Funding Impact Statement of Council's current Annual Plan).
- The amount of new capital investment the development will bring into the city. The amount of new investment should be not less *than* a minimum amount (as defined in the Funding Impact Statement of Council's current Annual Plan) unless the business falls within the criteria identified below. Consideration will be given to the extent that the new development would increase the rating base.

Council may be willing to consider cases where the business does not meet the guidelines as outlined above, when the development is of importance for the future economic development of the city and any of the following may apply:

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- The business demonstrates a long term commitment to remain and operate in the city. Property ownership or a long-term lease of property may be accepted as a proof of commitment.
- The development protects or retains cultural aspects of the city e.g. maintains and protects a heritage building.
- The development adds new and/or visually attractive infrastructure/buildings to the city.
- It is likely that any remission granted would provide encouragement or impetus to proceed with the development.

The presentation of any such applications to Council will be at the discretion of the Chief Executive and Director of Business Services.

The discretion of Council will apply in every case and simply meeting the criteria does not create any entitlement to rates relief.

Section 102(4)(f) of the Local Government Act 2002 requires that a local authority must adopt a policy on the remission and postponement of rates on Maori freehold land. Section 108 of the Local Government Act 2002 sets out the criteria with which a policy under section 102(4)(f) must conform.

The Upper Hutt City Council policy is that it will not remit or postpone rates on Maori freehold land.

In explanation, very little land within Upper Hutt City is held as Maori freehold land, and the issue of remission or postponement of rates on such land has not arisen. Should the situation change, then Council may review this policy.