

*Ngā Kaupapahere Whakaiti Tāke  
Kaunihera, Tārewa Hoki*

# **Rates Remission and Postponement Policies**



**Adopted 10 July 2024**

# Contents

<b>Māori Freehold Land Policy .....</b>	<b>3</b>
<b>Rates Remission Policies.....</b>	<b>4</b>
1. Remission of Rates in Special Circumstances.....	4
2. Remission of Penalties on Rates .....	4
3. Remission of Rates on Properties affected by Natural Calamity.....	5
4. Hardship Remission resulting from changes to the Rating Policy .....	5
5. Significant Impact Remission resulting from changes to the Rating Policy.....	5
6. Remission for Uniform Annual General Charges and Related Targeted Rates ...	6
<b>Rate Postponement Policies .....</b>	<b>7</b>
1. Postponement in Cases of Financial Hardship or Natural Disaster .....	7
2. Postponement of Sustainable Homes Voluntary Targeted Rate .....	7

## Notes:

### Review of these policies

Hawke's Bay Regional Council (HBRC) intends to review these policies regularly to ensure that the conditions and criteria on which the policies are based continue to be relevant and appropriate.

### Delegated authority

The approval of applications relating to the policies contained in this document will be undertaken in accordance with Hawke's Bay Regional Council's Delegation Policy<sup>1</sup>.

---

<sup>1</sup> Available on request

# Māori Freehold Land Policy

## Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

This policy has been formulated for the purpose of:

- ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Māori-owned lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates
- meeting the requirements of sections 102 and 108, having considered the matters in schedule 11 of the Local Government Act 2002, to have a policy on the remission and postponement of rates on Māori freehold land.

This policy does not provide for the postponement of rates as the Regional Council considers that postponing the requirement to pay rates would not support the objectives set out below. The Regional Council has specific policies for the postponement of rates in certain circumstances.

## Objectives

The objectives of this policy are to:

- support the use of land by the owners for traditional purposes
- recognise and support the relationship of Māori culture and traditions relating to ancestral land
- avoid of further alienation of Māori freehold land
- facilitate the desire of the owners to develop the land for economic use
- recognise and take account of the presence of wahi tapu that may affect the use of the land for other purposes
- recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakāinga housing
- recognise and take account of the importance of the land for community goals relating to:
  - the preservation of the natural character of the coastal environment
  - the protection of outstanding natural features
  - the protection of significant indigenous natural vegetation and fauna

- recognise the level of community services provided to the land and its occupiers
- recognise matters related to the physical accessibility of the land
- support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

## Conditions and criteria

- Remission will apply to 100% of rates charged on a rating unit.
- Application for a remission under this policy must be made by the person(s) liable for rates for the land (such as owners or trustees), or a person appointed by the Māori Land Court, or other authorised agent of the owners of the land.
- The application is to be made in writing at least 14 days before the due date of payment. Applications made after this cut-off date will apply from the beginning of the following rating year unless extenuating circumstances can be demonstrated, where the Chief Executive may grant an exemption for late application.
- The applicant must include the following information in their applications:
  - details of the rating unit or units involved
  - documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
  - details showing how a remission of rates is consistent with the objectives of this policy.
- No application under this policy will be backdated. However, where a new lessee/occupier takes over a block with existing rate arrears that would not be recoverable based on previous use, the arrears of rates may be written off where the new lessee assumes payment of current and future rates from the commencement of use or occupation.

# Rates Remission Policies

## Introduction

To allow rate relief where it is considered fair and reasonable to do so, the Regional Council has resolved to adopt policies under sections 102(3)(a) and 109 of the Local Government Act 2002 specifying the circumstances under which rates will be considered for remission. There are various types of remission, and circumstances under which a remission will be considered. A remission will not be granted where an entity has qualified under the Local Government (Rating) Act 2002 (LGRA) for partial non rating under Part 2 of schedule 1.

The conditions and criteria are set out below.

## 1. Remission of Rates in Special Circumstances

### Objective

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Regional Council's rating policy.

### Conditions and criteria

- HBRC may remit all or part of the rates assessed in relation to a particular rating unit in special or unforeseen circumstances where it considers it just and equitable to do so.
- The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.
- A remission under this policy will apply for one year only. Applicants must reapply annually.
- No application under this policy will be backdated.
- All applications must be received in writing detailing the rating unit(s) involved and any other relevant information supporting the applicant's eligibility for the remission.

Except where there are extenuating circumstances, the application for a rates remission must be made at least 14 days before the due date of payment. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

## 2. Remission of Penalties on Rates

### Objective

To enable the Regional Council to act fairly and reasonably when a rates payment has not been received by the due date.

### Conditions and criteria

Upon receipt of an application from the ratepayer either in written or email format, or if identified by the Regional Council, a penalty may be remitted where at least one of the conditions listed below are met.

- A full payment of outstanding rates due (excluding a penalty amount) has been made prior to the application being received by the Regional Council, and if the ratepayer has previously paid all rates by the due date within the last three years.
- Where a ratepayer has rate arrears, that on entering and adhering to a payment plan, the additional penalties will be remitted at an agreed time.
- Where payment has been late due to an unforeseen disruption to the normal activities or business of the ratepayer, such as a serious illness, case of death, injury, accident of family member, or family circumstances.
- The late payment was caused by matters outside of the ratepayer's control.
- It is demonstrated that the penalty has been added because of an error by the Regional Council.
- Where it is considered just and equitable to do so. Each application will be considered on its merits.

Matters that will be taken into consideration by the Regional Council under above include:

- the ratepayer's payment history
- the ratepayer entering into an agreement with the Regional Council for the payment of rates
- matters controlled by the ratepayer may include: electronic payment errors, failure to update mailing, or direct debit arrangement
- matters out of the control of the ratepayer may include change of ownership, or bank errors.

Where there is a deliberate non-payment, remission will not be granted.

### 3. Remission of Rates on Properties affected by Natural Calamity

#### Objective

To help ratepayers experiencing extreme financial hardship due to natural calamity which affects their ability to pay rates.

#### Conditions and criteria

- Applicable where erosion, subsidence, submersion, or other natural calamity as a result of a recognised major event has affected the use or occupation of any rating unit. This does not apply to erosion, subsidence, submersion etc, that may have occurred without a recognised major event.
- The Regional Council will, at its discretion, resolve when an event is a recognised major event for the purposes of this Policy.
- The Regional Council may, at its discretion, remit all or part of any rate assessed on any rating unit so affected by natural calamity.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Regional Council may require financial or other records to be provided as part of the remission approval process.
- Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

### 4. Hardship Remission resulting from changes to the Rating Policy

#### Objective

To assist ratepayers experiencing extreme financial hardship because of changes to the rating system to achieve a more equitable distribution of rates.

#### Conditions and criteria

This policy only applies where the Regional Council determines to make significant changes to the rating system, including uniform charges, differentials, or the number of targeted rates.

This policy does not apply to annual changes in rates requirements, including changes to targeted rates as a result of changes to service levels (including the imposition of a targeted rate on a property receiving a

service that was not previously provided or charged for), or to an inflationary adjustment of uniform charges.

- The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.
- A remission under this policy will apply for one year only. Applicants must reapply annually.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Regional Council may require financial or other records to be provided as part of the remission approval process.
- The remission will be set at half of the difference between the property rates for that year, and the rates payable if the changes to the rating system had not been applied. The Regional Council will use the relevant parts of the previous year's rating system (such as uniform charges, differentials) but will use the current year's rates requirement.

### 5. Significant Impact Remission resulting from changes to the Rating Policy

#### Objective

To assist providers of utility network infrastructure, where the change from land to capital value rating for the general rate has resulted in significant financial impact, to transition to the new rating structure.

#### Conditions and criteria

This policy only applies to those rating units on the Utility Valuation Rolls (99930-99932) and is limited to utilities defined as 'outliers' by capital value cap.

The remission will apply for the 2024-2025 rating year and will be set at 50% of the general rate charge, for those rating units where a general rate has not previously been applied under land value rating.

#### Other conditions

Applications must be made in writing, at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

## 6. Remission for Uniform Annual General Charges and Related Targeted Rates

### Objectives

- To provide relief to ratepayers who occupy several near adjacent rating units, but which do not meet the criteria for contiguity under section 20 of the Local Government Act (Rating) 2002.
- To provide relief for developers in the instances of subdivision development in urban areas.

### Remissions in addition to the Local Government (Rating) Act 2002

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of assessing a rate, where two or more separately rateable properties are:

- occupied by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 12 months); and
- used jointly as a single property (for the same purpose); and
- contiguous but separated only by a road, railway-line, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any uniform annual general charges (UAGC).

Where a property meets the requirements of the conditions and criteria below, the UAGC and other related targeted rates assessed on the second and subsequent assessments will be remitted.

### Conditions and criteria

- Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible contiguity between them, all charges may be assessed on each; however, factors such as distance, stock rotation, stock driving, etc., property size and the number of properties affected, will be taken into account in determining whether remission should apply.
  - **Without dwellings** - Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity, the 'flagship' (major rating unit) may be assessed a full charge and the associated rating units may receive a 100% reduction.
  - **With dwellings** - Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity, a charge may be assessed

against each rating unit with a habitable dwelling and the associated units may receive a 100% reduction.

- Where a single operation is operated over a number of separate blocks of contiguous rating units that contain dwellings, one full charge may apply to each block of such rating units.
- Miscellaneous:
  - If a rating unit is of a size which would not enable a dwelling to be erected and where no dwelling exists, a 100% reduction in charge may apply.
- Where an additional dwelling is provided to an employee and the ratepayer provides evidence to the satisfaction of the Regional Council that it is essential they must reside on the rating unit for the ongoing operation of the business, then the additional UAGC and related targeted rates will be remitted.
- Remission of the charge may apply to a subdivision for the period if the individual lots continue to be in the ownership of the developer.
- The application in the form of a statutory declaration is to be made in writing at least 14 days before the due date of payment detailing the rating unit(s) involved and any other relevant information supporting the applicant's eligibility for the remission.

# Rate Postponement Policies

## Introduction

These policies are prepared under sections 102(3)(b) and 110 of the Local Government Act 2002.

## 1. Postponement in Cases of Financial Hardship or Natural Disaster

### Objectives

- To assist ratepayers experiencing short term extreme financial hardship that affects their ability to pay rates.
- To assist ratepayers whose property has been subject to a natural disaster to the extent that the ratepayer is unable to pay rates.

### Conditions and criteria

The financial hardship must be caused by circumstances beyond the ratepayer's control. The postponement of rates in cases of financial hardship is a last resort to assist residents who own the property to which the postponement application applies.

### Criteria for the postponement of rates for ratepayers in cases of hardship

- The applicant can illustrate a postponement of rates will help them overcome their short-term extreme financial hardship.
- The applicant has no access to other funds to pay the rates due.

### Criteria for the postponement of rates for ratepayers in cases of natural disaster

- The applicant is unable to pay their rates bill because of a natural disaster or severe weather event that has severely impacted on their ability to pay rates but a postponement will help enable them to pay in the future.

### Other conditions

Applications must be made in writing, at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

Approval of rates postponement is for one year only. The applicant must reapply annually for the continuation of a rates postponement.

## 2. Postponement of Sustainable Homes Voluntary Targeted Rate

### Objective

To protect the Regional Council's ability to recover the full outstanding balance of funding in the event of default during the repayment period.

### Conditions and criteria

- Postponement commences at 90% in year 1, reducing by 10% per year for the duration of the repayment period.
- This enables the funding to be repaid in 10 equal annual instalments in accordance with the Sustainable Homes Service Agreement while registering the full financial obligation against the rating unit.
- This policy is applied and managed by the Regional Council's Rates team and applies from the commencement of invoicing until the full repayment has occurred.