

# Policy on the Remission and Postponement of Rates on Maori Freehold Land

This policy is prepared under sections 102 and 108 of the Local Government Act 2002.

This policy aims to:

- 1) Ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.
- 2) Implement a policy for providing rate relief on Maori land pursuant to Section 108 of the Local Government Act 2002.

## Definitions

*Maori freehold land* is defined in the Local Government (Rating) Act 2002 as land which beneficial ownership has been determined by a freehold order issued by the Maori Land Court.

*Rates* means a general rate, a targeted rate or a uniform annual general charge set in accordance with the Local Government (Rating) Act 2002 and includes a penalty added to a rate.

*Remission* means a reduction to the amount of rates to be paid.

*Remitted Rates* means rates for which the requirement to pay is reduced.

*Postponement* means a delay in the payment of rates.

*Postponed Rates* means rates for which the requirement to pay is delayed.

## Principles

The principles used in establishing this policy are:

- a) That, as defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.
- b) That the Council is required to consider whether it should have a policy on rates relief on Maori freehold land.
- c) That the Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectable.
- d) That applications for relief meet the criteria set by the Council.
- e) That the policy does not provide for the permanent remission or postponement of rates on the property concerned.

## Delegated Responsibility

The Council may delegate authority to approve applications for rates remissions and rates postponement under this policy to particular officers.

# Policy on the Remission and Postponement of Rates on Maori Freehold Land

## 1) Remission

### Objectives

The objectives of this part of the policy are:

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To recognise the benefits of services provided to the community on Maori freehold land (e.g. community meetings, civil defence etc) in areas the Council does not or is unable to provide these services.

### Conditions and criteria

Only land that is the subject of a freehold order issued by the Maori Land court may qualify for remission under this policy.

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

Application for land to be added to the Register should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council.

Owners or trustees making application should include the following information in their applications:

- a) Details of the property.
- b) The objectives that will be achieved by providing a remission.
- c) Documentation that proves the land which is the subject of the application is Maori freehold land. The Council may at its own discretion add properties to the lists.

Relief and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time. The Council will review the Register annually and may:

- a) Add properties that comply.
- b) Remove properties where the circumstances have changed and they no longer comply.

### Maori land rates remissions register

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

- a) The land is unoccupied and no income is derived from the use or occupation of that land; or

# Policy on the Remission and Postponement of Rates on Maori Freehold Land

- b) The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land;
- c) The land is inaccessible and is unoccupied;
- d) Only a portion of the land is occupied;
- e) The benefits of services provided to the wider community on Maori freehold land where the Council does not or is unable to provide those services.

The remission for land recorded in the Register will be at the Council's discretion depending on the individual circumstances. There will be no remission of any targeted rates made for water supply, roading, sewage disposal or waste management. Where the Council agrees to remit that part of the rate that relates to the unoccupied part of the property, the rates remitted will be the portion of the rates apportioned to that part of the property.

Note:

Under the Local Government Rating Act 2002 certain categories of land are not rateable under schedule 1. Those categories include:

- Customary Maori land.
- Maori land that does not exceed 2 hectares and on which a meeting house is erected.
- Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or its corresponding former provision and –
  - That is used for the purposes of a marae or meeting house and that does not exceed 2 hectares.
- Land that does not exceed 2 hectares and that is used as –
  - A Maori burial ground.

## 2) Postponement

### Objectives

The objective of this part of the policy is to assist personal ratepayers experiencing financial circumstances that affect their ability to pay rates.

### Conditions and criteria

Only land that is the subject of a freehold order issued by the Maori Land court may qualify for postponement under this policy.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of the rating unit that is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council offices).

The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section, Conditions and criteria

## Policy on the Remission and Postponement of Rates on Maori Freehold Land

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, the 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.

Where the Council decides to postpone rates, the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- the death of the ratepayer(s); or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- the ratepayer(s) ceases to use the property; or
- a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. The fee that will be charged is \$50 plus interest at the weighted average interest rate applied to Council debt in the Annual Plan adopted for each year that rates are postponed.

Even if rates are postponed, as a general rule the ratepayer will be required to pay 50% of the rate account.

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.

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.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.