

Rating Policy

July 2009

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1. PAYMENT OPTIONS

1.1 Rates may be paid by:

- cash
- cheque
- eftpos (excluding from a credit card account)

during the hours of 8.30am to 5.00pm, Monday to Friday at any of the following:

Council Offices, William Fraser Building, Dunorling Street, Alexandra
Cromwell Service Centre, 42 The Mall, Cromwell
Maniototo Service Centre, 15 Pery Street, Ranfurly
Roxburgh Service Centre, 120 Scotland Street, Roxburgh (9am to 4.30pm)

1.2 Rates may be paid by:

- automatic payment
- direct debit (Council's preferred method)
- telephone initiated direct credit

by prior arrangement with the Rates Department on 03 440 0617.

1.3 Credit card payments will only be accepted from overseas ratepayers by prior arrangement.

1.4 Rates may be paid on the Internet via www.codc.govt.nz There will be a service charge payable direct to Council's bankers by ratepayers who use this option.

2. DUE DATES FOR PAYMENT OF RATES

2.1 Rates will be payable in four (4) instalments, with due dates as follows:

Instalment	Due date
1	mid August
2	mid November
3	mid February
4	mid May

The actual instalment dates will be notified annually in the Rates Assessment.

3. EARLY PAYMENT OF RATES

3.1 Early payment of all rates assessed in the current financial year may be made at any time.

3.2 A discount of 2.5% will be given if payment is made in full on or before the due date for the first instalment of the year.

4. PENALTIES ON RATES

4.1 Penalties for unpaid rates will be applied as follows:

- 10% on any outstanding amount of any instalment not paid by the due date
- 10% on amounts outstanding from earlier years, such penalty being applied on 1 October and 1 April

4.2 Requests for waiver of penalties should be sent, in writing, to the Corporate Services Manager.

5. MAORI FREEHOLD LAND

5.1 Central Otago District Council has no Maori freehold land and therefore has no policy relating to rates relief thereon.

6. INSPECTION OF AND OBJECTION TO RATING INFORMATION AND RECORDS

6.1 The Complete Rating Information Database (CRID) and related rates records are available for inspection between 8.30am to 4.30pm, Monday to Friday at any of the following:

Council Offices, William Fraser Building, Dunorling Street, Alexandra
Cromwell Service Centre, 42 The Mall, Cromwell
Maniototo Service Centre, 15 Pery Street, Ranfurly
Roxburgh Service Centre, 120 Scotland Street, Roxburgh (9am to 4pm)

6.2 Any interested person may inspect the CRID. Inspection is free but there will be a fee payable for the supply of particulars from the CRID.

6.3 The following persons may inspect the rates records for a rating unit:

- the ratepayer
- anyone authorised, in writing, by the ratepayer to do so
- any person who has become liable to pay the rates under the recovery provisions of the Local Government (Rating) Act 2002
- a solicitor, landbroker or real estate agent
- any member of the public with respect to rates assessed, but not including arrears, remissions or postponed rates

6.4 Any ratepayer named in the Rating Information Database (RID) can object to the information in the RID on the following grounds:

- a rating unit listed in the district valuation roll (DVR) has been omitted from the RID
- information from the DVR has been omitted or incorrectly entered in the RID
- information entered in the RID (other than information from the DVR) is incorrect
- a lawful amendment to the DVR has not been entered in the RID

- 6.5 Objections to the rates records of a rating unit may only be made by:
- the ratepayer, or
 - someone who has become liable to pay the rates on the unit under the recovery provisions
- 6.6 Objections to rates records may only be made on the following grounds:
- the rates have been incorrectly calculated, or
 - the balance shown as owing on the rating unit is incorrect
- 6.7 The Council will notify objectors in writing of its decision regarding an objection.

7. POSTPONEMENT OF RATES

- 7.1 The objective of the Council's policy on postponement of rates is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.
- 7.2 Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration for rates postponement for extreme financial circumstances.
- 7.3 Only the ratepayer, or his/her authorised agent, may make application for rates postponement. Such application must be in writing.
- 7.4 The ratepayer must have owned the rating unit for at least five years.
- 7.5 When considering whether extreme financial circumstances exist, all of the ratepayer's circumstances will be relevant, including:
- age
 - physical and/or mental disability
 - injury or illness
 - family circumstances
- 7.6 Additionally, 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
 - normal day to day living expenses
- 7.7 Any postponed rates will be postponed until:
- the death of the ratepayer; or
 - the sale of the rating unit
- 7.8 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.

- 7.9 Postponement of rates will apply from the beginning of the rating year in which the application is made.
- 7.10 Postponed rates will incur a postponement fee, equivalent to interest calculated on the total amount postponed at 30 June each year, plus an administrative charge. The interest will be calculated at Council's internal investment rate, as used for internal loans.

8. REMISSION OF RATES

- 8.1 The general objectives of the Council's policy on remission of rates are to:
- mitigate the effects of anomalies and inequities in its rating system ie fairness and equity, ie economic well-being
 - assist new and existing businesses to increase their contribution to district employment ie social and economic well-being
 - assist conservation of natural, historic and cultural resources ie environmental and cultural well-being

Specific objectives are set out in each element of the policy.

Remission of penalties

- 8.2 The objective is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by the due date due to circumstances outside a ratepayer's control.
- 8.3 Remission of penalty will be considered in the case of death, illness or accident of a close family member (as defined by Council) as at the due date.
- 8.4 Remission of penalty will be considered if the ratepayer is able to provide evidence that payment has gone astray in the post or by failure to act by a bank in the case of automatic payments, or Council has sent the rates demand to the wrong address.
- 8.5 Remission of penalty will be considered where the penalty has been incurred during the processing of settlements following changes in ownership of rating units.
- 8.6 Application for remission of penalty must be in writing to the Council.

Remission of Uniform Annual Charges and Fixed Charge Targeted Rates on Rural Rating Units

- 8.7 The objective is to prevent a ratepayer paying several uniform annual charges and fixed charge targeted rates on rural land where:
- land is contiguous, farmed as a single entity but is owned by more than one family member, including a family trust (but excluding a limited liability company)
- 8.8 Application for remission of uniform annual charges must be in writing to the Council. It will not be necessary to reapply each year unless circumstances change.

- 8.9 Remission will include any targeted rate set on the basis of a fixed dollar charge per rating unit, as well as any uniform annual charges.
- 8.10 The ratepayer will remain liable for at least one set of each charge.
- 8.11 Remission of uniform annual charges and fixed charge targeted rates, where granted, will take effect from the commencement of the next rating year.
- 8.12 Remissions will not be granted where the Council views the contiguous properties as held for investment purposes; for example, where a new deposited plan has been approved. [Refer also to the Council's policy on remission for development land - paragraphs 8.43ff.]
- 8.13 Where a remission of uniform annual charges and fixed charge targeted rates has been granted to a rating unit, and that remission ceases to be applicable through change in ownership or usage, the rating unit will be charged a proportion of the targeted rates and uniform annual charges applicable for the remainder of the year, commencing from the beginning of the next rating instalment period.

Remission for extreme financial hardship

- 8.14 The objective is to assist ratepayers who experience temporary extreme financial circumstances which affect their ability to pay rates.
- 8.15 Application must be in writing, on the prescribed form (available at Council offices). This is to enable Council to verify that extreme financial circumstances exist.
- 8.16 Council may remit some or all of the rates due, based on its assessment of the situation.

Remission for anomalous and/or iniquitous rates increases

- 8.17 The objective is to allow Council to mitigate the effects of:
- changes in funding policies
 - changes arising from general revaluation of the district's rating units
 - changes in legislation
 - changes arising from unforeseen and/or unusual circumstances
- 8.18 Council will each year receive a report, as part of its Annual Plan process, detailing properties which, unless remissions were granted, would suffer an anomalous or iniquitous rates increase in the year to which the Annual Plan relates.
- 8.19 Council may remit such part of the potential increase as it sees fit, subject to such remission not being so great that the rating unit pays a lesser increase than the average for the Ward or District.
- 8.20 Ratepayers eligible for such remission will be notified in writing before the first instalment falls due. However, ratepayers not so notified may make application in writing for such remission.

Remission of rates on rural land with a capital value less than \$1,000

- 8.21 The objective is to recognise that undeveloped rural land with a capital value below \$1,000 should only pay minimum rates.
- 8.22 To qualify, ratepayers must hold other land in the district on which full rates are payable.
- 8.23 The minimum rate may vary, but is currently deemed to be \$10.
- 8.24 Ratepayers eligible for such remission will be notified in writing before the first instalment falls due.

Remission of rates on land protected for natural, historic or cultural conservation purposes

- 8.25 The objective is to preserve and promote natural resources and the district's heritage.
- 8.26 Applications must be made in writing to the Council. Applications must be supported by documentary evidence of the protected status of the rating unit.
- 8.27 In considering an application for remission, Council will apply the following criteria:
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by the granting of a rates remission
 - the degree to which features of natural, cultural or historic heritage are present on the land
 - the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
- 8.28 Council will decide what amount of rates to be remitted on a case by case basis, subject to a maximum of 30% of rates assessed in a year.
- 8.29 In granting a remission, Council may specify certain conditions. Applicants will be required to agree in writing to any such conditions, and to pay any remitted rates if the conditions are violated.
- 8.30 Ratepayers are only eligible to apply for this remission if they voluntarily protect any features of cultural, natural or historic heritage.
- 8.31 Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Remissions for community, sporting and other organisations

- 8.32 The objective is to:
- assist the organisation's survival, and
 - make membership of the organisation accessible to the general public, particularly disadvantaged groups

8.33 Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 makes land 50% non-rateable where it is:

- owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting
- owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races or greyhound races
- owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts

Such land is still liable to pay any uniform annual charges or targeted rates for water supply, sewage disposal or refuse collection.

8.34 The definition of land does not include land used for the private pecuniary profit of any members of the society or association.

8.35 Council will treat land in paragraph 8.34 in the same manner as land in paragraph 8.33.

8.36 Ratepayers receiving rates remission under paragraph 8.35 will be notified in writing before the first instalment falls due.

Remission for Crown land used for private or commercial purposes

8.37 The objective is to ensure lessees using Crown land for private or commercial use do not pay unreasonable levels of rates.

8.38 Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 states that Crown land is non-rateable, but excludes land used primarily or exclusively for private or commercial purposes under a lease, licence or other agreement.

8.39 Applications for remission under this part of the policy must be in writing to the Council. Applications should give evidence as to why it is unreasonable for the ratepayer to be assessed for rates on the land.

Remission for land affected by natural disasters

8.40 The objective is to provide relief to ratepayers whose land or property has been seriously adversely affected by a natural disaster. A natural disaster is considered as including, but not necessarily limited to, flooding, earthquake damage, wildfire or storm.

8.41 Applications for remission under this part of the policy must be in writing to the Council. Applications should give evidence as to why the ratepayer's enjoyment of the land or property has been seriously adversely affected by the natural disaster.

8.42 This part of the policy will only be relevant if the natural disaster had a widespread effect in the district.

Remission for development land

- 8.43 The objective is to ensure that unsold development land which is in one parcel, but has separate valuation assessment numbers, does not pay more than one set of uniform annual charges and fixed charge targeted rates.
- 8.44 Applications under this part of the policy must be in writing to the Council.
- 8.45 Any remission granted shall be for two (2) years.
- 8.46 For each development (defined as one deposited plan):
- in year 1 the ratepayer shall pay uniform annual charges and fixed charge targeted rates on one allotment and receive 100% remission on second and subsequent allotments
 - in year 2 the ratepayer shall pay uniform annual charges and fixed charge targeted rates on one allotment and receive 50% remission on second and subsequent allotments
- 8.47 Remission shall cease for any allotment if:
- any interest in the land is passed by the developer to another party, or
 - an application for a building consent is granted, or
 - the land is developed in some other way

Remission ceases from the end of the quarter in which any of these events occur.

Remission for business development

- 8.48 The objective is to promote employment and economic development within the district by assisting new businesses (ie. not in competition with existing businesses) and/or the expansion of existing businesses.
- 8.49 This part of the policy applies to:
- commercial and/or industrial development that involves the construction, erection or alteration of any building, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes. Investment in capital improvements (excluding the cost of the land) must be in excess of \$1,000,000 and significant new employment opportunities created
 - Residential developments are specifically excluded from consideration for remission under this part of the policy
- 8.50 Applications must be made in writing to the Council and must be supported by:
- a description of the development
 - a plan of the development (where possible)
 - an estimate of costs
 - an estimate of the likely number of new jobs to be created by the development

- 8.51 Any rates remission granted will apply during the course of the development for a period of up to three (3) years.
- 8.52 The amount of remission to be granted will be on a case by case basis, subject to a maximum of 50% of rates assessed.
- 8.53 In granting any remission under this part of the policy the Council may specify certain conditions before the remission will be granted. Applicants will be required to agree in writing to such conditions and to pay any remitted rates if the conditions are violated.

General

- 8.54 All applications for remissions will be considered in the first instance by the Corporate Services Manager. In certain cases, particularly requests for remission for:

- business development
- land protected for natural, historic or cultural conservation purposes
- land affected by natural disaster

the application will be referred to Council for a decision.

- 8.55 All applications considered by Council will be discussed in open session, or the results of its deliberations in closed session will be disclosed in open session at its next meeting.

9. DELEGATIONS

- 9.1 Section 132 of the Local Government (Rating) Act 2002 allows Council to delegate the exercise of functions, powers or duties conferred by the Act to any specific officer of the Council. It cannot delegate:

- the power to delegate, or
- any of the powers to set and assess rates or replacement rates

- 9.2 Council has put in place the following delegations:

9.2.1 The decision whether disclosure of a name is necessary to identify a rating unit (s28 (2) of the Act) – to the CEO and Corporate Services Manager, acting singly

9.2.2 Authority to determine the fee payable for supplying a copy of the Rates Information Database (RID) (Section 28 (3) of the Act) – to the Corporate Services Manager

9.2.3 Authority to determine objections to the RID – to the CEO, Corporate Services Manager and Accountant, any two acting jointly

9.2.4 Authority to remove names from the RID (Section 35 (b) of the Act) – to the Corporate Services Manager and Accountant, acting singly

- 9.2.5 Authority to determine objections to rates records (Section 39 of the Act) – to the CEO, Corporate Services Manager and Accountant, any two acting jointly
- 9.2.6 Authority to correct errors in RIDs and Rate Records (Section 40 of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, any two acting jointly
- 9.2.7 Authority to fix the interest rate to be charged on reassessed rates (Section 41 (3) of the Act) – to the Corporate Services Manager
- 9.2.8 Authority to issue invoices based on previous year's rates (Section 50 of the Act) – to the Corporate Services Manager and Accountant, acting singly
- 9.2.9 Determine agreeable method of rates payments (Section 52 (2) of the Act) – to the Corporate Services Manager
- 9.2.10 Authority to recover unpaid rates from owner (Section 61 (1) of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, any two acting jointly
- 9.2.11 Authority to recover unpaid rates from persons other than owners (Section 62 of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, any two acting jointly
- 9.2.12 Authority to commence proceedings for unpaid rates (Section 63 of the Act) – to the CEO and Corporate Services Manager, acting jointly
- 9.2.13 Commencement of rating sale or lease provisions (Section 67 of the Act) – to the CEO and Corporate Services Manager, acting jointly
- 9.2.14 Authority to sell by private treaty (Section 72 of the Act) – to the CEO and Corporate Services Manager, acting jointly
- 9.2.15 Authority to sell abandoned land (Section 77 to 83 of the Act) – to the Corporate Services Manager and Accountant, acting jointly
- 9.2.16 Authority to administer remission and postponement policies (Sections 85/87/114/115 of the Act) – to the Corporate Services Manager
- 9.2.17 Authority to impose penalties on unpaid rates (Section 57 and 58 of the Act) - to the Corporate Services Manager

ANNEX

EXTRACT FROM

LOCAL GOVERNMENT (RATING) ACT 2002

Schedule 2

Matters that may be used to define categories of rateable land

1. The use to which the land is put.
2. The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.
3. The activities that are proposed to be permitted, controlled, or discretionary activities, and the proposed rules for the area in which the land is situated under a proposed district plan or proposed regional plan under the Resource Management Act 1991, but only if –
 - (a) no submissions in opposition have been made under clause 6 of the First Schedule of that Act on those proposed activities or rules, and the time for making submissions has expired; or
 - (b) all submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed.
4. The area of land within each rating unit.
5. The provision or availability to the land of a service provided by, or on behalf of, the local authority.
6. Where the land is situated.
7. The annual value of the land.
8. The capital value of the land.
9. The land value of the land.

Schedule 3

Factors that may be used in calculating liability for targeted rates

1. The annual value of the rating unit.
2. The capital value of the rating unit.
3. The land value of the rating unit.
4. The value of improvements to the rating unit.
5. The area of land within the rating unit.
6. The area of land within the rating unit that is sealed, paved, or built on.
7. The number of separately used or inhabited parts of the rating unit.
8. The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
9. The number or nature of connections from the land within each rating unit to any local authority reticulation system.
10. The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority.
11. The area of floor space of buildings within the rating unit.
12. The number of water closets and urinals within the rating unit.