

RATING POLICY



RATING POLICY

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 Schedule 1 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 - b) all submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed.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 of Rates (Funding Impact Statement – Rates)

General

Uneconomic Rates: Rates levied on any one rating unit of less than \$10 for the year are deemed by the Council to be uneconomic to collect.

Allocation: Where a payment made by a ratepayer is less than the amount now payable, the Council will apply the payment firstly to any arrears from previous years, and then proportionately across all current year rates due.

Due Dates for Payment of Rates

All rates other than metered water charges will be payable in four instalments due on:

- 20 August 2020
- 20 November 2020
- 19 February 2021
- 20 May 2021

Charges for Metered Water will be Due On:

Bannockburn, Ranfurly, Naseby, Patearoa, Omakau, Clyde and Roxburgh:

- 22 October 2020, reading taken in September 2020
- 22 April 2021, reading taken in March 2021

Cromwell and Pisa:

- 17 December 2020, reading taken in November 2020
- 24 June 2021, reading taken in May 2021

Alexandra:

- 26 November 2020, reading taken in October 2020
- 27 May 2021, reading taken in April 2021

Penalties

The Council will apply penalties under section 57 and 58 of the Local Government (Rating) Act 2002 on unpaid rates (other than metered water rates) as follows:

- 10% on any outstanding amount of any instalment not paid by the due date -
- The penalty will be applied on 28 August 2020, 30 November 2020, 1 March 2021 and 28 May 2021 respectively for each instalment;
- 10% on amounts outstanding from earlier years, such penalty being applied on 1 October and 1 April
- Requests for waiver of penalties should be sent, in writing, to the Rates Officer as per Council Remission of Penalties Policy.

The Council will apply penalties under section 57 and 58 of the Local Government (Rating) Act 2002 on unpaid metered water rates as follows:

- 10% on any metered water rates unpaid after the due date. The penalty will be applied on the date below for the respective instalments:
 - Bannockburn, Ranfurly, Naseby, Patearoa, Omakau, Clyde and Roxburgh - 30 October 2020 and 30 April 2021
 - Cromwell and Pisa - 8 January 2021 and 30 June 2021
 - Alexandra - 4 December 2020 and 4 June 2021
- Requests for waiver of penalties on water accounts should be sent, in writing, to the Water Billing Officer, in accordance with the Council's Remission of Penalties Policy.

Payment of Rates

A discount of 2.5% on properties where the full payment of the annual rates amount for the property is received by Council on or before the due date for the first instalment.

Differentials based on Land Use

The Council proposes to use this matter to differentiate the general rate, tourism rate, promotion rate, wastewater rate (2nd and Subsequent pan/urinal).

The differential categories are:

General Rate

The General Rate differentials exist to ensure that the overall increase in rates liability for the Dams remain closely aligned with the overall average increase in rates.

Large Dams: Clyde Dam – Earnscluegh and Roxburgh Dam – Roxburgh. Paerau Dam – Maniototo Teviot Dams – Roxburgh. All other properties.

Tourism and Promotion

Residential – all rating units categorised as residential by Council's valuations service provider.

Rural – all rating units used categorised as dairy, horticulture, forestry, mining, lifestyle or specialist agricultural use by Council's valuation service provider.

Commercial and industrial – all rating units categorised as commercial or industrial by Council's valuation service provider. Dams, Utilities and Other - the Clyde Dam, Roxburgh Dam, Paerau Dam, Teviot Dam and all rating units categorised as utilities by Council's valuation service provider, sports groups and other non-commercial community groups.

Wastewater Additional Pan/Urinal

Commercial properties providing accommodation including motels, camping grounds and commercial rest homes for the elderly.

Differentials based on Location

Molyneux Park Rate

- The Council uses this matter to assess rates for the Molyneux Park Rate.
- Vincent - all rating units within the area covered by Vincent Community Board.
- District - all other rating units in the district located outside of the area covered by Vincent Community Board.

Refer to the Molyneux Park map on the Council website under Property & Rates quick links.

Ward Services, Work and Services Charge, Recreation & Culture Charge and Promotions Rate

These rates are assessed differentially on the following locations:

- Vincent Community Board – the area covered by the Vincent Community Board.
- Cromwell – the area covered by the Cromwell Community Board.
- Teviot Valley – the area covered by the Teviot Valley Community Board.
- Maniototo – the area covered by the Maniototo Community Board.

Refer to the ward map on the Council website under Property & Rates quick links

Differentials based on Availability of Service

Water Supply

The categories for the proposed water supply rates are:

- Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a council operated water supply.
- Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated wastewater system but is within 100 metres of a wastewater network.

Wastewater

The categories for the proposed wastewater rates are:

- Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a council operated wastewater system.
- Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated wastewater system but is within 30 metres of a wastewater network.

Environmental Services - Waste Management

The categories for waste management rates are:

- Waste management with collection – wheelie bins are provided by the Council and a kerb-side collection service is available to the rating unit
- Waste management without collection – no wheelie bins are provided, and no weekly collection service is available to the rating unit
- Additional rubbish bin – additional rubbish bins supplied over and above the initial supply of service
- Additional mixed recycle bin – additional mixed recycle bins supplied over and above the initial supply of service
- Additional glass recycle bin – additional glass recycle bins supplied over and above the initial supply of service

Water Rates and Charges

These targeted rates are assessed differentially, per connection to any rating unit (including vacant sections) within the district which is either connected to (lateral provided) at 100% charge, or serviceable, any rating unit (including vacant sections) that is not connected (no lateral provided) to a council operated water supply but is within 100 metres of a water supply reticulation system, at 50% charge. Rating units which are not connected to a scheme, and which are not serviceable will not be liable for this rate. The rates for the water supply are shown below:

CONNECTED (LATERAL PROVIDED) \$	SERVICEABLE (NO LATERAL PROVIDED) \$
433.11 per connection	216.56 per connection

The Council sets targeted rates for water charges that are based on volume of water supplied to consumers who will be metered and billed under the Council Water Supply Bylaw 2008. The charge will be \$0.60 per cubic metre for all users with a water meter on a Council supply.

Waste Management and Waste Collection Charges

Where the Council waste collection service is available the charge is set on the basis of the number of containers of waste that the Council collects as part of its standard waste collection service, which is one household rubbish bin, one mixed recycling bin and one glass recycling bin. Household rubbish will be collected fortnightly and each recycling bin will be collected four-weekly. Where a household rubbish bin, mixed recycling bin or glass recycling bin is provided in addition to the standard service Council will charge additional rates per additional bin. Standard waste collection service is compulsory for all improved residential rating units that are situated within a collection area.

Refer to the Ward map on the Council website under Property & Rates quick links.

WASTE MANAGEMENT AND COLLECTION RATES AND CHARGES		\$
Waste collection with collection 3 bins (availability of service)	Per rating unit	406.79
Waste collection additional household rubbish bin (red)	Per additional bin	242.04
Waste collection additional mixed recycling bin (yellow)	Per additional bin	50.85
Waste collection additional glass recycling bin (blue)	Per additional bin	50.85

The Council sets a waste management charge which contributes to Environmental education and districtwide waste collection activities such as public bins. All residential land in the district is liable for this charge which is a uniform amount per rating unit.

WASTE MANAGEMENT AND COLLECTION RATES AND CHARGES		\$
Waste management charge (no collection from rating unit)	Per rating unit	63.05

Wastewater Rates and Charges

The Council sets a targeted rate for wastewater as a uniform charge assessed differentially per connection to any rating unit (including vacant sections) within the district which are connected to (lateral/s provided) a council operated wastewater system at 100% or serviceable, any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated wastewater scheme, but is within 30 metres of a wastewater drain at 50%. Rating units which are not connected to a scheme, and which are not serviceable will not be liable for this rate. The Council sets a targeted rate as a uniform charge for each additional pan or urinal in excess of one for those rating units providing commercial accommodation or commercial rest homes for the elderly. The rates for this service are shown below:

CONNECTED (LATERAL PROVIDED) \$	SERVICEABLE (NO LATERAL PROVIDED) \$	ADDITIONAL PAN ACCOMMODATION \$
627.98	313.99	156.99

The Council sets a targeted rate for wastewater management as a fixed charge per rating unit within Clyde (identified by Valuation Roll 28461).

	\$
Clyde Wastewater Management	85.00

The wastewater management charges will be applied for ground water monitoring and preliminary costs for a Clyde wastewater scheme.

Works and Services

The Council sets a targeted rate for each ward for ward services calculated on the basis of land value for each rating unit for housing and property, grants, recreation reserve committees and other works.

WARD/COMMUNITY BOARD	RATE IN \$
Cromwell	0.00014
Maniototo	0.0001
Teviot Valley	0.00012
Vincent	0.00021

Refer to the Ward map on the Council website under Property & Rates quick links.

The Council sets a targeted rate for unsubsidised roading, stormwater and public toilets calculated on the basis of capital value on all rateable land in the district.

	RATE IN \$
District Works and Public Toilets	0.0001843

The Council sets targeted rates for ward services within each ward on the basis of a uniform charge for each rating unit. The rates are shown in the table below:

WARD/COMMUNITY BOARD	PER RATING UNIT \$
Cromwell	36.63
Maniototo	82.91
Teviot Valley	75.55
Vincent	44.09

Refer to the Ward map on the Council website under Property & Rates quick links.

Ward services charges are used to fund Community Board elected members costs and other works for each respective ward.

Recreation and Culture

The Council sets a targeted rate for recreation and culture within each ward. The targeted rates will be based on a uniform charge per rating unit as shown in the table below:

WARD/COMMUNITY BOARD	PER RATING UNIT \$
Cromwell	477.41
Maniototo	516.66
Teviot Valley	300.77
Vincent	424.84

Refer to the Ward map on the Council website under Property & Rates quick links.

Recreation and culture charges fund the operations and maintenance of parks and reserves, swimming pools, museums, sports club loan assistance, community halls and other recreation facilities and amenities.

The Council sets a targeted rate for Molyneux Park differentially across the district. This is set as a fixed charge per rating unit where rating units outside the Vincent Community Board area pay one third of the charge payable by those rating units situated within this area as shown in the table below:

CATEGORY	PER UNIT \$
Molyneux Park Vincent	51.91
Molyneux Park District	17.30

Refer to the Molyneux Park map on the Council website under Property & Rates quick links.

The Council sets a targeted rate for library services as a uniform charge per rating unit. The targeted rates will be based as a uniform charge for each rating unit as shown in the table below:

CATEGORY	PER RATING UNIT \$
District Library	106.12

Library charges are applied to operations and maintenance of libraries.

The Council sets a targeted rate for Tracks and Waterways as a uniform charge per rating unit, across the district. The targeted rate is based as a uniform charge for each rating unit as follows:

	PER RATING UNIT \$
Tracks and Waterways	18.81

Tracks and Waterways charges are applied to operations and maintenance of facilities associated with Lake Dunstan, the Clutha River and other tracks and waterways throughout the district.

Promotion

The Council sets a targeted rate for promotion within each community board. For each community board the rate will be on a differential basis, based on the use to which the rating unit is placed (as defined in the General Rate category). The targeted rates are based on the capital value of all rating units as shown in the table as follows:

	RATES IN \$
Cromwell Community Board	
Commercial and Industrial	0.0000607
Residential	0.0000113
Rural	0.0000087
Dams and Utilities	0.0000078
Vincent Community Board	
Commercial and Industrial	0.0000075
Residential	0.0000014
Rural	0.0000011
Dams and Utilities	0.0000010

The rate revenue is used to provide grants to promote local areas within the district.

Planning and Environment

The Council sets a planning and environment rate on all rating units. The rate is based on the capital value of all rating units in the district according to the table below:

	RATES IN \$
Planning and Environment	0.0002014

Planning and Environment rates are used to fund functions including Resource Management, Environmental Health and Building, Civil Defence and Rural Fire.

Economic Development

The Council sets an economic development rate on all rating units. The rate is based on the capital value of all rating units in the district according to the table below:

	RATES IN \$
Economic Development	0.0000217

Tourism

The Council sets a tourism rate on a differential basis based on use (with the differential categories being "Residential", "Rural", "Commercial and Industrial", "Dams and Utilities") on all rating units (as defined in the General Rate category). The rate is based on the capital value of all rating units in the district except "Sport and Recreation" in accordance with the table below:

	RATES IN \$
Residential	0.0000732
Rural	0.0000564
Commercial and Industrial	0.0003926
Dams, Utilities	0.0000505

The tourism rate will be used to fund visitor information centres and tourism development within the district.

General Rate

The Council sets a general rate on a differential basis based on use (with the differential categories being "Large Dams", "Paerau Dam - Maniototo", "Teviot Power Scheme - Roxburgh" and "All areas excluding Large Dams, Paerau Dam - Maniototo, Teviot Dam - Roxburgh") on all rating units (as defined in the General Rate category). The rate is based on the land value of all rating units in the district according to the table below:

	RATES IN \$
All areas excluding Large Dams, Paerau Dam - Maniototo, and Teviot Dam - Roxburgh	0.00042
Large Dams	0.14424
Paerau Dam – Maniototo	0.0743
Teviot Power Scheme – Roxburgh	0.10836

General rates are used to fund the costs of functions not delegated to a Community Board and not covered by any other rate or charge. Included are housing, district grants, regional identity, roading (other than the uniform charge contribution), noxious plant control, airports and other infrastructure.

Uniform Annual General Charge

The Council sets a uniform annual charge on every rating unit.

	PER RATING UNIT \$
All areas	99.50

The uniform annual general charge is used to fund democracy, roading (\$60 of the charge), and other amenities controlled by the Council.

Funding Impact Statement: Total Rates to be collected

The revenue and financing mechanisms to be used by the Council, including the amount to be produced by each mechanism, are as follows (all GST inclusive):

REVENUE AND FINANCING MECHANISMS	2020/21 \$000s	2019/20 \$000s
GENERAL RATES		
General Rate	3,447	4,996
Uniform Annual General Charge	1,340	2,036
TARGETED RATES		
Planning and Environment Rate	2,475	1,227
Economic Development Rate	266	241
Tracks and Waterways Charge	253	260
Tourism Rate	1,108	1,682
Waste Management and Collection Charge	4,257	3,491
District Library Charge	1,429	1,442
Molyneux Park Charge	431	389
District Works and Public Toilets Rate	2,265	2,692
District Water Supply	4,428	3,582
District Wastewater	5,390	4,580
WARD TARGETED RATES		
Vincent Community Board		
Vincent Promotion Rate	7	72
Vincent Recreation and Culture Charge	2,425	2,211
Vincent Ward Services Charge	252	239
Vincent Ward Services Rate	495	437
Clyde Wastewater Management	72	71
Cromwell Community Board		
Cromwell Promotion Rate	83	122
Cromwell Recreation and Culture Charge	2,467	2,263
Cromwell Ward Services Charge	189	201
Cromwell Ward Services Rate	392	191
Maniototo Community Board		
Maniototo Promotion Rate	-	23
Maniototo Recreation and Culture Charge	748	666
Maniototo Ward Services Charge	120	107
Maniototo Ward Services Rate	96	108
Teviot Valley Community Board		
Teviot Valley Promotion	-	5
Teviot Valley Recreation and Culture	337	292
Teviot Valley Ward Services Charge	85	82
Teviot Ward Services Rate	57	61

Note: These figures are GST inclusive whereas the Activity Funding Impact Statements are GST exclusive. These rates to be collected do not include volumetric water charges.

Rating Examples

Property Description	2019 Capital Value	2019 Land Value	2019/20 Rates	2020/21 Rates	Change \$	Change %
Alexandra Commercial	485,000	160,000	3,830.12	4,069.20	239.08	6%
Alexandra Hotel	960,000	630,000	5,865.99	6,020.32	154.33	3%
Alexandra Lifestyle Block	860,000	520,000	1,538.01	1,539.08	1.07	0%
Alexandra Major Motel	4,810,000	1,070,000	14,561.43	14,790.04	228.61	2%
Alexandra Motel	750,000	335,000	3,703.23	3,816.91	113.68	3%
Alexandra Residential	440,000	245,000	2,382.12	2,581.18	199.06	8%
Bannockburn Vineyard	2,720,000	1,290,000	2,951.22	2,829.04	-122.18	-4%
Clyde Commercial	1,290,000	400,000	3,872.57	3,692.32	-180.25	-5%
Clyde Motel	1,270,000	620,000	3,975.82	3,956.45	-19.37	0%
Clyde Residence	530,000	255,000	1,913.59	2,087.94	174.35	9%
Cromwell Commercial	900,000	760,000	3,579.97	3,425.41	-154.56	-4%
Cromwell Farm	2,490,000	1,940,000	4,112.78	3,085.74	-1,027.04	-25%
Cromwell Large Farm	2,880,000	2,660,000	5,294.89	3,674.72	-1,620.17	-31%
Cromwell Lifestyle Block	1,090,000	580,000	1,982.26	2,003.56	21.30	1%
Cromwell Major Hotel	9,040,000	3,160,000	24,262.01	22,956.33	-1,305.68	-5%
Cromwell Motel	2,690,000	1,740,000	9,159.43	9,259.89	100.46	1%
Cromwell Residence	540,000	340,000	2,508.48	2,680.40	171.92	7%
Cromwell Storage	4,130,000	1,560,000	8,025.65	6,654.92	-1,370.73	-17%
Earnsclough Lifestyle Block	680,000	355,000	1,359.07	1,350.38	-8.69	-1%
Earnsclough Orchard	1,670,000	510,000	1,936.77	1,909.22	-27.55	-1%
Maniototo Farm	1,750,000	1,430,000	3,412.31	2,464.39	-947.92	-28%
Maniototo Large Farm	18,660,000	16,050,000	28,549.74	17,958.67	-10,591.07	-37%
Maniototo Lifestyle Block	305,000	140,000	1,144.73	1,119.07	-25.66	-2%
Maniototo Rural - Hotel	670,000	210,000	1,809.49	1,550.21	-259.28	-14%
Manuherikia Farm	4,630,000	4,080,000	8,439.66	5,557.63	-2,882.03	-34%
Manuherikia Large Farm	12,800,000	11,200,000	21,826.98	13,887.57	-7,939.41	-36%
Manuherikia Lifestyle Block	280,000	160,000	1,029.79	1,040.32	10.53	1%
Naseby Residence	305,000	102,000	2,284.69	2,509.15	224.46	10%
Omakau Residence	380,000	107,000	2,248.55	2,464.41	215.86	10%
Patearoa Residence	210,000	70,000	1,397.22	1,475.03	77.81	6%
Ranfurly - Hotel	310,000	144,000	3,261.07	3,417.49	156.42	5%
Ranfurly Commercial Property	190,000	32,000	2,331.50	2,477.91	146.41	6%
Ranfurly Residence	255,000	86,000	2,225.52	2,476.74	251.22	11%
Roxburgh - Commercial	230,000	104,000	2,219.18	2,326.65	107.47	5%
Roxburgh - Hotel	280,000	114,000	2,313.83	2,372.11	58.28	3%
Roxburgh Orchard	305,000	146,000	1,609.81	1,679.05	69.24	4%
Roxburgh Farm	3,280,000	2,690,000	5,470.54	3,669.83	-1,800.71	-33%
Roxburgh Large Farm	14,000,000	12,300,000	21,996.50	13,884.32	-8,112.18	-37%
Roxburgh Residence	305,000	78,000	2,068.51	2,275.07	206.56	10%
Roxburgh Rural Industry	1,410,000	195,000	2,941.72	2,259.10	-682.62	-23%
Omakau Hotel	1,190,000	330,000	6,151.98	6,837.89	685.91	11%
Ophir Residence	410,000	122,000	1,689.43	1,860.44	171.01	10%
Ophir Commercial	1,520,000	160,000	3,815.16	3,398.32	-416.84	-11%
Pisa Moorings Residential	740,000	315,000	2,259.37	2,331.62	72.25	3%

Property Description	2019 Capital Value	2019 Land Value	2019/20 Rates	2020/21 Rates	Change \$	Change %
Bannockburn Hotel	1,200,000	680,000	3,680.26	3,638.63	-41.63	-1%
Millers Flat Residence	280,000	49,000	1,136.14	1,186.14	50.00	4%
Earnsclough Vineyard	2,330,000	790,000	2,429.17	2,394.24	-34.93	-1%
Bannockburn Residential	960,000	760,000	2,375.98	2,476.44	100.46	4%
Omakau Residential	500,000	184,000	3,264.40	3,602.47	338.07	10%
Bannockburn Residence	643,000	610,000	1,880.78	1,898.61	17.83	1%

Operational Rating Principles

Payment Options

Rates may be paid by:

- cash
- cheque
- EFTPOS (excluding from a credit card account)
- direct debit (Council's preferred method of payment)
- automatic payment (please contact our Alexandra office to discuss an appropriate payment plan)
- internet transfer or telephone initiated direct credit
- or by prior arrangement with the Rates Department on (03) 440 0617
- credit card via www.codc.govt.nz. There will be a service charge payable direct to Council's bankers by ratepayers who use this option.

During the hours of 8.30am to 5pm, 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)

Inspection of and Objection to Rating Information and Records

The Complete Rating Information Database (CRID) and the Rating Information Database 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)

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

- The following persons may inspect the rates records for a rating unit in accordance with the Local Government (Rating) Act 2002:
- 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

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

- 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

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

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

The Council will notify objectors in writing of its decision regarding an objection.

Operational Rating Policies

Maori Freehold Land

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

Postponement of Rates

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.

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.

Only the ratepayer, or his/her authorised agent, may make application for rates postponement. Such application must be in writing.

The ratepayer must have owned the rating unit for at least five years.

Any postponed rates will be postponed until the earlier of:

- the death of the ratepayer; or
- the sale of the rating unit

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
- eligibility for DIA Rate Rebate

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

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.

Postponement of rates will apply from the beginning of the rating year in which the application is made.

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.

Remission of Rates

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, i.e. fairness and equity, i.e. economic well-being
- assist new and existing businesses to increase their contribution to district employment, i.e. social and economic well-being
- assist conservation of natural, historic and cultural resources, i.e. environmental and cultural well-being specific objectives are set out in each element of the policy.

Remission of Penalties

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.

A good payment history will be taken into account when considering any remission of penalty. 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.

Remission of penalty will be considered when a payment plan for arrears is agreed and operational.

Remission of penalty will be considered where it facilitates the future payment of rates by direct debit within a specified timeframe.

Remission of penalty will be considered where remission will facilitate the collection of overdue rates and results in full payment of arrears and saving on debt recovery costs.

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 direct debits or credits.

Remission of penalty will be considered where the penalty has been incurred during the processing of settlements following changes in ownership of rating units.

Application for remission of penalty must be in writing to the Rates Officer, or in the case of volumetric water charges, the Water Billing Officer.

Penalties will not be applied to rates accounts with an outstanding balance where an agreed payment arrangement is in place.

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

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).

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.

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, with the exception of water and wastewater.

The ratepayer will remain liable for at least one set of each charge.

Remission of uniform annual charges and fixed charge targeted rates, where granted, will take effect from the commencement of the next rating year.

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.]

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

The objective is to assist ratepayers who experience temporary extreme financial circumstances which affect their ability to pay rates.

To enable Council to verify extreme financial circumstances exist, an application must be in writing, on the prescribed form (available at Council offices or website). This form contains a statutory declaration which must be completed in front of a Justice of the Peace, solicitor or another person authorised to take a statutory declaration. This statutory declaration is a

legal document and should be treated as such. Ensure information is true and correct to the best of your knowledge and belief. You may face criminal charges if you knowingly make a false oath or affirmation.

This form must also be completed by the registered owner and occupier of the property and must relate to a residential property in the Central Otago district. This form is for residential ratepayers only. This application is not for commercial ratepayers.

This application is valid for 12 months, although a consecutive application may be considered but to a maximum of 2 years in totality.

Water, wastewater and refuse charges will be excluded and not subject to remission under the Remission of Rates for Extreme Financial Hardship policy.

If the ratepayer would not qualify for the DIA rates rebate, Council may remit some of the rates due, based on its assessment of the situation.

Remission for Anomalous Rates and/or Inequitable Rates Increases

The objective is to allow Council to mitigate any unforeseen 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

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 inequitable rates increase in the year to which the Annual Plan relates.

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.

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).

The objective is to recognise that undeveloped rural land with a capital value below \$1,000 should only pay minimum rates.

To qualify, ratepayers must hold other land in the district on which full rates are payable.

The minimum rate may vary, but is currently deemed to be \$10.

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

The objective is to preserve and promote natural resources and heritage by encouraging the protection of land held for natural, historical or cultural purposes.

Ratepayers who own rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected may qualify for remission of rates under this policy.

Applications must be made in writing and be supported by documented evidence of the protected status of the rating unit, for example a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission on rates on the rating unit
- 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 use of the land
- The use of the property

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted.

Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Council reserves discretion in the awarding of all remissions, with the value and duration being relative to scale of the maintenance or restoration project.

Ratepayers are only eligible to apply for this remission if they voluntarily protect any features of cultural, natural or historic heritage.

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.

Remission of Rates for Heritage Buildings

The objective is to provide for the preservation of Central Otago's heritage by encouraging the maintenance and restoration of historic buildings. Provision of a rates remission recognises that there are private costs incurred for public benefit.

Ratepayers who have buildings with a heritage classification may apply for a rates remission providing the following conditions are met:

- Buildings date pre-1900 or are listed on the Central Otago District Plan Schedule 19.4: Register of Heritage Buildings, Places, Sites and Heritage Objects and Notable Trees
- The property must not be owned by the Council or the Crown, or their agencies
- Building owners will need to make a commitment to the ongoing maintenance of their building; or
- Provide details of the restoration project

Eligible ratepayers will receive a 50% remission of rates for two years commencing 1 July on the year following application.

Water, wastewater and refuse charges will be excluded and not subject to remission under this policy.

Remissions for Community, Sporting and Other Organisations

The objective is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to:

- Recognise the public good contribution to community well-being made by such organisations
- Assist the organisation's survival
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people and economically disadvantaged people

Council supports applications for financial assistance by any organisation not conducted for private profit.

The principal object of the organisation should be to promote the development of Central Otago and provide for at least one of the following: the public, recreation, health, enjoyment, instruction, sport or any form of culture, or for the improving or developing of amenities, where the provisions of any one of these areas is to the benefit of the area.

An organisation making an application should include the following information in support of its application:

- Evidence that other areas of assistance have been investigated if available
- That there is a need for assistance
- That there has been a reasonable effort made to meet the need by the organisation itself
- The organisation's most recent financial accounts

Each application will be considered by Council in its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remissions to any qualifying organisation shall be on a case by case basis of reduction in rates and charges, except that no remission will be granted on targeted rates/charges for water supply, sewage disposal or refuse collection, or areas used for bars

Remission for Crown or Council Land used for Private or Commercial Purposes

The objective is to ensure lessees using Crown or Council land for private or commercial use do not pay unreasonable levels of rates. Such land is subject to the remissions supporting contiguous land.

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.

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.

Remission will include any targeted rate set on the basis of a fixed dollar charge per rating unit, with the exception of water and wastewater.

Applications for remission under this part of the policy must be in writing to the Rates Officer. 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

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.

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.

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

Remission for Development Land

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, excluding volumetric water charges.

Council reserves discretion to consider other requests for remission for Development Land, which vary from that outlined above.

Applications under this part of the policy must be in writing to the Council.

Any remission granted shall be for four years.

For each development (defined as one deposited plan):

- In years 1 and 2 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 years 3 and 4 the ratepayer shall pay uniform annual charges and fixed charge targeted rates on one allotment and receive 50% remission on second and subsequent allotments

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

The objective is to promote employment and economic development within the district by assisting new businesses (i.e. not in competition with existing businesses) and/or the expansion of existing businesses.

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
- 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

Any rates remission granted will apply during the course of the development for a period of up to three years.

The amount of remission to be granted will be on a case by case basis, subject to a maximum of 50% of rates assessed.

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.

Remission of Water Rates Attributable to Leakage

Background

From time to time water consumers experience a loss as a result of leaks or damage to their water supply system. It is the normal practice for the consumer to be responsible for the maintenance of the reticulation from the water meter to the property, and to account for any consumption of water supplied through the meter. This is currently enforced through the Water Supply Bylaw 2008.

Council has taken the view that some consumers may experience an occasional water leak without them being aware of the problem. They have therefore decided that it would be reasonable to allow for a reduction in charges to these consumers in certain circumstances. This policy statement addresses that decision.

Objective of the Policy

To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit.

Whilst at the same time ensuring that consumers retain responsibility for the maintenance of their private reticulation, as required by the Water Supply Bylaw 9.15.

Conditions and Criteria

The Council may remit the excess water rates where the application meets the following criteria:

- the policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation
- that all applicants are requested to submit their application in writing before the due date of an invoice
- that a report from a registered plumber be supplied stating that the property has experienced a water loss as a result of a leak
- that proof of the repairs to the internal reticulation be submitted for verification (i.e. plumber's repair account) within 60 days of the due date of an invoice
- that the ratepayer be charged the full charge for normal consumption
- the maximum relief that will be provided will be 50% of the difference between the normal consumption and the actual water consumption for that period any remission under this policy will be limited to one application within any two-year period for any particular rating unit
- the Executive Manager – Corporate Services be delegated authority to consider applications for remission of excess water rates and, if appropriate, approve or decline them.

Notes:

- "Internal reticulation" refers to the underground and indoor pipe work and specifically excludes irrigation and leaking toilets, taps etc.
- The "normal consumption" will be calculated at Council's discretion from the information available.
- No adjustment shall be backdated beyond the current period invoiced.
- This is a financial remission only based on the volumetric charge.

General

In certain cases, particularly requests for remission for:

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

- heritage buildings
- community sporting and other organisations

The application will be referred to Council for a decision.

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.

All other applications for remissions will be decided by the Executive Manager – Corporate Services or duly delegated officer.



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