

# LONG TERM PLAN

## Rating Relief Policies

### Introduction

Section 102(3) of the Local Government Act 2002 (LGA 02) provides that a council may adopt a rates remission policy and a postponement policy. This policy addresses both the remission and postponement of rates.

Sections 102(1) and 101(2) of the LGA 02 require councils to adopt a policy for the remission and postponement of rates on Māori Freehold Land. In the development of these policies, Council has considered Schedule 11 of the LGA 02 and recognises that the nature of Māori land is different to General Title Land.

The objectives of Council's rating relief policies are to:

1. Provide an equitable system of rating remission and postponement for all sectors of the community;
2. Provide ratepayers with financial assistance where they might otherwise have difficulty meeting their obligations to pay rates;
3. Align with Council's community outcomes and strategic priorities;
4. Recognise that certain unoccupied Māori Freehold Land not used may have particular conditions, ownership structures, or other circumstances which make it appropriate to remit or postpone rates for defined periods of time; and
5. Ensure consideration of Schedule 11 of the LGA 02 (matters relating to rates relief on Māori Freehold Land).

### Making an application? This is what you need to know:

1. All applications under these policies must be made in writing, signed by the owner/ratepayer, and accompanied by any required supporting documentation. After an application has been submitted, further documentation may be requested. In that event, the applicant will be notified accordingly.
2. As provided for in section 88 of the Local Government (Rating) Act 2002 (LGRA 02), a postponement fee may be calculated and added to the postponed rates.
3. The basis of calculating the postponement fee is included in each year's Funding Impact Statement, which can be found in the Long Term or Annual Plan for that year.
4. The owner(s) of the property must provide proof of eligibility which will be confirmed with relevant Council information.
5. Where land is in multiple ownership, a written statement authorising an individual to act for one or more owners must be submitted with all applications.
6. Where a property or part of that property is sold within the period of remission or postponement, Council has the right to recover the rates remitted or postponed for the applicable period. This may apply to the whole property or only to that portion of the portion that has been sold.
7. Council may require further information from the applicant if deemed necessary to process the application.
8. Council reserves the right to inspect the use of a property, where appropriate, for application assessment and to confirm compliance with policy criteria from time to time.
9. Any decision made by Council under this policy is final.

10. Remissions or postponements granted under previous policies will remain in force as per those policies.
11. Applications may be made for a remission or postponement of rates in circumstances which are not included in the separate policy category sections set out below. These are known as “outside of policy” applications. Council’s authority is restricted by the provisions of the LGRA 02. For that reason, all such applications “outside of policy” must be in writing, and accompanied by sufficient detail and documentation to support a decision by Council.
12. Council is under no obligation to approve any applications that do not comply with the established policies and Council’s decision on the matter is final.
13. Council’s decision whether to grant or deny an application for remission or postponement of rates will be based upon:
  - a. The application itself; and,
  - b. All supporting documents submitted by the applicant; and,
  - c. Any relevant information and/or documentation held in Council’s records.
14. Except where otherwise indicated, Council reserves the right to grant or deny any and all applications for remission or postponement of rates under these policies.

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## Definitions

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*For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.*

**ARREAR** means unpaid rates as at 30 June of the rating year prior to application.

**COUNCIL** means the Far North District Council and includes any person or agent authorised by the Far North District Council.

**LANDLOCKED** has the same meaning as defined in the Property Law Act 2007.

**MĀORI FREEHOLD LAND** has the same meaning as defined in Te Ture Whenua Māori Act 1993 Part VI section 129(2)(a).

**NATURAL DISASTER** has the same meaning as in the Earthquake Commission Act 1993.

**NEW USER** is a person that has not been previously identified in Council's Rates Information Database as being responsible for the rates on the land.

**OCCUPIED** means a formal right by occupation order or informal right by licence to occupy Māori Freehold Land, or other arrangements are in place and are exercised.

**OCCUPIER** means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license or other formal agreement for a specified period of time.

**OUTSTANDING NATURAL LANDSCAPE** refers to any largely unmodified landscape with characteristics and qualities that amount to being conspicuous, eminent or remarkable. These landscapes are afforded protection through the Resource Management Act 1991 as a matter of national importance.

**PAPAKĀINGA** has the same meaning as in the operative version of the Far North District Plan.

**POSTPONEMENT** means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

**RATEPAYER** includes, under the Local Government (Rating) Act 2002, either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, which provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

**REASONABLE ACCESS** has the same meaning as the Property Law Act 2007.

**REMISSION** means that the requirement to pay the rate levied for a particular financial year is forgiven in whole or in part.

**STATUTORY LAND CHARGE** means a charge registered against a Certificate of Title of a property by someone who has a financial interest in the property, such as debt or part ownership.

**TREATY SETTLEMENT LANDS** means any land which has been returned to Māori ownership in a Treaty Claims Settlement, or land which may have been purchased from Treaty settlement monies to replace land which could not be returned because it is in private ownership.

**UNIFORM ANNUAL GENERAL CHARGE (UAGC)** is a type of rate levied by Council. It is a fixed charge, or an amount that stays the same regardless of the value of the property. The UAGC is the same amount for all ratepayers across the District.

**USED** includes use for the purposes of any residential occupation of the land, or any activity for business or commercial purposes, including lease agreements, or storage of equipment, stock or livestock.

## Common-Use Properties

### Background

Section 20 of the LGRA 02 requires that multiple rating units be treated as one rating unit if they are:

1. Owned by the same person or persons; and,
2. Used jointly as a single unit; and,
3. Contiguous or separated only by a road, railway, drain, water race, river or stream.

This policy expands on the provisions of the Act, and provides for commercial operations to be treated as one rating unit to assist economic development in the district.

### Policy Objectives

1. To provide for farming by treating multiple rating units as one rating unit if they are physically separated but used jointly as one farming operation.
2. To assist development in the District by treating multiple rating units of a development as a single rating unit for a maximum of three years.
2. In the case of a residential or commercial development, multiple rating units will be treated as a single rating unit for a maximum term of three years. This term is calculated from 1 July in the year that this provision first applies.
3. Residential or commercial developments that have already received this remission under a previous policy are not eligible for remission under this policy.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statements

In addition to the provisions of section 20 of the LGRA 02, Council will treat the following separate rating units as a single rating unit if they are owned by the same person or entity:

- a. A farm that consists of multiple rating units but functions as one commercial operation;
- b. Rating units of a residential or commercial development which are vacant and owned by the original developer, pending their sale or lease to subsequent purchasers or lessees.
4. In the case of a farm or commercial enterprise, the separate multiple rating units must be owned or leased by the same person or entity. If any of the separate rating units are leased, the term of the lease must be 10 years or more, including rights of renewal. The owners of each of the separate rating units must confirm in writing that their unit is being jointly used as a single farming operation.
5. In the case of residential rating units where two or more separately owned rating units are owned by an individual(s) and/or trust and are contiguous but the ownership is not an exact match, the rating units may be considered as one. For this to apply one unit must have a dwelling and the other unit(s) considerable development which proves that the rating units are being used as one. E.g. house/dwelling on one rating unit and/or garden and garage on the other rating unit.

### Conditions and Criteria

1. Applicants must provide sufficient evidence that the multiple rating units in question are being jointly used as a single farming operation, or are part of the same subdivision or commercial development.
6. In the case of a farm, the rating units must be situated within a radius of two kilometres from the boundary of the primary property.
7. Council reserves the right to exclude any specific targeted charge from this policy.

## Community, Sports and Not-for-profit Organisations

### Background

Community and voluntary groups provide facilities to enhance and contribute to the wellbeing of the residents of the Far North. This policy provides rating relief for those organisations that operate for the benefit of the community.

### Policy Objectives

1. To assist in the ongoing provision of community services and recreational opportunities that benefit Far North residents.
2. To facilitate and support access to drug, alcohol and mental health facilities for Far North residents.

- a. the promotion of recreation, health, education, or instruction; or
- b. the running of a campground on land for the purposes listed in section 2(a) above.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statements

1. Council may remit up to 100% of the rates payable on land owned or used by, and for the purposes of:
  - a. Registered Charitable Organisations or IRD approved done organisations; or
  - b. Any entity which has, as its principal purpose and function, the provision of free access to family counselling, or, assessment, counselling and in-patient treatment for people with alcohol, drug and mental health related problems.
2. Council may remit 50% of the rates payable on land owned or used by an entity for the purpose of providing benefit to Far North residents through:

### Conditions and Criteria

1. Relevant financial information must accompany all applications. This includes:
  - a. statement of organisation objectives
  - b. full financial accounts
  - c. information on activities and programmes
  - d. details of membership or clients.
2. No remission will be given on land on which a licence under the Sale of Liquor Act is held.
3. No remission will be given on land where any person or entity receives private financial profit from the activities carried out on the land. All income earned by ratepayers and entities receiving a remission under this policy must be spent on reasonable salaries, wages and other costs reasonably related to its community, sports, or not-for-profit purposes.
4. Land used for an activity which is commercial in nature does not qualify for rates remission. For example an "op-shop" does not qualify for rating relief under this policy.

## Excess Water Charges

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### Background

Individual consumers are responsible for:

- a. the maintenance of their own internal reticulation system from the water meter to the house; and
- b. payment for all water supplied through the meter.

Some consumers may experience an occasional water leak in their internal reticulation, and not be aware of the problem. This policy seeks to assist the ratepayer to cover excess water charges.

### Policy Objectives

1. To assist ratepayers with excessive water charges due to a water leak.
2. To incentivise ratepayers to regularly check their water meter and maintain their internal water reticulation.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statements

1. Council may provide a full remission of excess water charges to the ratepayer once every 10 years where a leak in the internal reticulation of that property has resulted in water loss.
2. Council may provide a 50% remission of excess water charges to the ratepayer in the case of a separate leak on that property within 10 years following the grant of a first application.

### Conditions and Criteria

1. Applications made under this policy must be received by Council within six months of the first notification to the ratepayer by Council of a possible leak.
2. Proof of repairs to the internal reticulation must accompany the application. This may be in the form of a detailed written report or an invoice for repairs from a registered plumber.
3. No remission will be given where the repairs have not been completed by a registered plumber.
4. Excess water charges resulting from any other leaks within the 10 year period are not eligible for remission.
5. The maximum relief that will be provided will be the difference between the normal consumption and the actual water consumption for that period.

## Incentivising Māori Economic Development

### Background

Council recognises that there is a need to incentivise economic development on Māori Freehold Land. Enabling and incentivising Māori economic development through the remission of rates may see direct economic and social benefits to landowners generating a return on the land, as well as to Council from future rates contributions, as the venture grows and becomes sustainable.

### Policy Objectives

1. To provide incentives for Māori land owners to develop Māori Freehold Land for economic use.
  2. To enable owners to develop an economic base and to assist with the subsequent payment of rates.
- Year 8 - 20% remitted; and
  - Year 9 - 0% remitted
2. The land, or portion of the land, for which relief is sought must be considered suitable for development, and confirmed as currently not used.
  3. Applications must be accompanied by a business case, and a meeting with Council staff will be required to determine any other necessary documentation.
  4. Key considerations by Council may include:
    - a. professional advice has been obtained;
    - b. there is a suitable management structure in place;
    - c. appropriate financial arrangements for the development of the land have been made;
    - d. suitable monitoring and reporting systems have or will be established; and
    - e. realistic financial projections and cash flows have been provided.
  5. Upon approval, a regular annual report and financial statements on the development must be submitted to Council each year.

### Scope

This policy applies to Māori Freehold Land.

### Policy Statement

Council will remit rates on Māori Freehold Land for the purposes of incentivising economic development.

### Conditions and Criteria

1. Council will remit rates under this policy on an eight-year sliding scale as follows:
  - Years 1-3 - 100% remitted
  - Year 4 - 90% remitted
  - Year 5 - 80% remitted
  - Year 6 - 60% remitted
  - Year 7 - 40% remitted



## Landlocked Land

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### Background

The Property Law Act 2007 enables owners of landlocked properties to take legal action in order to gain reasonable access to their property. Ratepayers may be unable to take action under these provisions of the Property Law Act due to their financial circumstances.

### Policy Objectives

To provide rating relief to ratepayers where their land has no reasonable access and the ratepayer cannot afford to take action through the Property Law Act 2007.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statement

Council may postpone rates on landlocked land where there is no reasonable access as defined in the Property Law Act 2007, or, in the case of Maori Freehold Land, as determined by the Maori Land Court.

### Conditions and Criteria

1. The land must be landlocked as defined in Section 326 of the Property Law Act 2007, or in the case of Maori Freehold Land, as determined by the Maori Land Court.
2. The application must state why access cannot be obtained through procedures set forth in Part 6, Subpart 3, of the Property Law Act.
3. The application must include a statutory declaration that there is no practical access across adjoining land and that the land is not in use by any person, Fencing to prevent trespassing does not constitute use of the land.
4. The maximum term for the postponement of rates for landlocked property is three years. If the land remains landlocked at the end of that period, postponed rates will be remitted.
5. The owner must advise Council if the status of the land changes, if access is obtained, or if any person commences to use the land. If the land ceases to be landlocked during the period of the postponement, any rates postponed and not remitted under this policy will not be repayable unless the owner fails to keep the current and future rates up to date.
6. The repayment of postponed rates will not be required merely because of a change of ownership of the land, provided that the land continues to comply with the criteria of this policy.

## Land Subject to Protection for Outstanding Natural Landscape, Cultural, Historic or Ecological Purposes

### Background

The Far North District Council recognises that certain rateable land within the District is protected for outstanding natural landscape, cultural, heritage, or ecological purposes.

### Policy Objectives

To provide rating relief to landowners who have reserved lands that have particular outstanding natural landscape, cultural, historic or ecological values for future generations.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statements

1. Council may **remit** rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection agreements listed in 2 a) through 2 g) of the conditions and criteria of this policy.
2. Council may **postpone** rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection listed in 2 h) of the conditions and criteria of this policy.

- d. A declaration of protected private land under section 76 of the Reserves Act 1977; or
- e. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
- f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
- g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993); or
- h. A covenant for conservation purposes under section 27 of the Conservation Act 1987.
- i. A covenant for conservation purposes approved under the Heritage New Zealand Pouhere Taonga Act 2014 (or Historic Places Act 1993).

### Conditions and Criteria

1. Applications must be supported by a copy of the formal protection agreement and a Management Plan detailing how the values of the land are to be maintained, restored, and/or enhanced.
2. The land must be subject to a formal protection agreement as set out below:
  - a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
  - b. A conservation covenant under section 77 of the Reserves Act 1977; or
  - c. A Nga Whenua Rahui kawenata under section 77A of the Reserves Act 1977; or
3. The rating unit or portion of the rating unit that is the subject of the application must not be in use.
4. Where the entire rating unit is the subject of the application, the remission or postponement of rates will apply to all rates levied on the property.
5. The protected and unprotected portions of the rating unit will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government (Rating) Act 2002. In these instances, the remission or postponement of rates will only apply to the protected portion of the rating unit.
6. The following activities will not constitute use of the land:
  - d. A declaration of protected private land under section 76 of the Reserves Act 1977; or
  - e. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
  - f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
  - g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993); or
  - h. A covenant for conservation purposes under section 27 of the Conservation Act 1987.
  - i. A covenant for conservation purposes approved under the Heritage New Zealand Pouhere Taonga Act 2014 (or Historic Places Act 1993).

- a. Work undertaken to preserve or enhance the features covenanted on the land, including but not limited to weed control, planting to counteract erosion, or erection of a fence to prevent trespassing.
  - b. The removal of material by Māori for cultural purposes.
7. Any remission or postponement granted under this policy will become effective on 1 July in the rating year following the submission of the application.
  8. Any remission or postponement of rates on the land will be cancelled immediately in the event that the land ceases to be protected under a formal protection agreement. Postponed rates that have not been remitted will be repayable in the event that the covenant conditions and the Management Plan objectives are breached in the sole opinion of the Council, whose decision is final.

### **Specific Conditions and Criteria for Postponement of Rates**

1. After a term of six years, the postponed rates for the first year of the covenant period will be remitted. After this, one additional year of the postponed rates will be remitted each year, so that a maximum of six years of postponed rates are held against the land at any given time.
2. Upon expiration of the covenant or other agreement, any rates that are postponed against the land at that time, which have not been remitted under paragraph 9 above, will become due.
3. The repayment of postponed rates will not be required as a result of a change of ownership, provided that the land continues to comply with all criteria.
4. Council will not seek repayment of postponed rates where future postponement is revoked due to Council changing its criteria for postponement.

## Māori Freehold Land Not Used

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### Background

The Far North District Council recognises the unique barriers to the use and development of Māori Freehold Land resulting from fragmented ownership. While Māori Freehold Land itself may not be difficult to use or develop, there may be challenges around the use and the financing of the development of the land which arise from fragmented ownership.

This policy provides relief by giving a remission where land is not used due to the difficulty of multiple ownership, obtaining collective agreement, or the lack of financing options. This policy does not apply to Māori Freehold Land in sole ownership.

### Policy Objectives

1. To provide for rates remission for Māori Freehold Land under multiple ownership or portions thereof which are not used.
2. To avoid further alienation of Māori Freehold Land as a result of financial pressures that may be brought by the imposition of rates on lands not used.

### Scope

This policy applies only to Māori Freehold Land.

### Policy Statement

Council may, upon application from the owners, authorised agents of the owners, or Council itself acting for the owners, agree to remit the rates on such unused land for a period not exceeding three years.

### Conditions and Criteria

1. The land must be in multiple ownership. Land in sole-ownership is not eligible for rating relief under this policy.
2. The land must not be used by any person or entity.
3. If the land comes under use at any point, it will no longer receive remission of rates under this policy.
4. Council expects that any rating relief will be temporary, with each application limited to a term of three years. Council may consider renewing the rating relief upon the receipt of further applications from the owners.

## New Users of Māori Freehold Land

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### Background

The Far North District Council recognises that significant rate arrears due to the challenges of multiple ownership can act as a disincentive to any new use of Māori Freehold Land where a New User could become responsible for the payment of any existing arrears of rates and penalties on the land. This policy has been developed to encourage use of Māori Freehold Land in these circumstances.

### Policy Objective

To remove the barrier of rate debt for New Users to be able to use or develop the land.

### Scope

This policy applies only to Māori Freehold Land.

### Policy Statement

Council may postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a New User and that person agreeing to pay the rates while they are using the land.

### Conditions and criteria

1. The person proposing to use the land must be a New User.
2. Where land has recently moved from multiple ownership to sole ownership, the sole owner will be treated as a New User.
3. Council has the sole discretion as to whether or not to grant the application, and may seek additional information before making its final decision.
4. The New User using the land must, upon approval of the application, keep the current and future rates up to date for as long as they continue to use the land.
5. If the current and future rates are not paid within one month of the due dates, Council reserves the right to reapply the postponed rates to the land.
6. Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

## Papakāinga on Māori Freehold Land

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### Background

The Far North District Council recognises the importance of Māori Freehold Land in providing landowners and their whanau with the opportunity to establish papakāinga. The imposition of multiple Uniform Annual General Charges or other non-service related charges may act as a disincentive to occupying Māori Freehold Land for papakāinga purposes.

The policy creates apportionments on land which is subject to a license to occupy or has an informal arrangement in place. This means that each occupier will pay rates only upon the land they occupy, rather than upon the entire area of the rating unit.

### Policy Objectives

1. To put in place processes to allow the residents with occupation licenses or other informal arrangements to pay their portion of rates in respect of the land that they occupy.
2. To assist Māori to establish papakāinga or other housing on Māori Freehold Land.
3. To assist Māori to establish an economic base for future development.

### Scope

This policy applies only to Māori Freehold Land.

### Policy Statement

Council may remit multiple UAGCs, as well as other charges, for separately used or inhabited parts of a rating unit which are subject to a licence to occupy or other informal arrangement.

### Conditions and Criteria

1. The part of the land concerned must be the subject of a licence to occupy or other informal arrangement for the purposes of providing residential housing for the occupier.
2. The area of land covered by each arrangement must have a separate valuation issued by Council's valuation service providers and will be issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).
3. The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
4. No portion of the service charges for utilities will be remitted.
5. Council reserves the right to cancel the remission on the portion of a rating unit upon which rates remain unpaid for a period of more than one month after the due date.
6. Uniform Annual General Charges and other charges on the land will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.

## Penalties

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### Background

Penalties are charged where rates instalments are not paid by the due date. Council recognises the economic hardship faced by some ratepayers. This policy provides for the remission of rates penalties on the grounds of financial hardship.

### Policy Objective

To allow for the remission of penalties where the ratepayer has entered into repayment arrangements or there are reasonable grounds to remove the penalty.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statement

Council may remit rates penalties where the application provides a reasonable reason for remission.

### Conditions and Criteria

1. Applications will be considered if:
  - a. The applicant has a previous good record of payment and on-time payments of all rate instalments within the last two years, and an honest attempt has been made to have payment delivered on time; or
  - b. The owner of the rating unit has been given insufficient notice of the invoice due date; or
  - c. A request is made on compassionate grounds; or
  - d. The ratepayer has entered into a Rates Easy Pay agreement and has maintained the arrangement to clear their outstanding rates.
2. Penalties may be remitted upon payment of all outstanding rates.

## Properties Spanning Multiple Districts

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### Background

There are a small number of properties situated across the boundary line between the Far North District and other districts. These properties incur rates from both councils. This policy provides an equitable method of assessing rates for those properties.

### Policy Objective

To recognise that some properties span multiple districts, and to ensure that only the portion of property within the Far North District is rated by the Far North District Council.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statement

Rates will be remitted on any portion of a property outside of the Far North District.

### Conditions and Criteria

If there is a dwelling on the portion of the property within the Far North District:

- no portion of the Uniform Annual General Charge will be remitted; and
- the land value based rate will continue to be remitted on the portion outside of the Far North District.



## Transitional policy for the postponement of rates on farmland

### Background

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to Section 22 of the Rating Valuations Act.

That section of LGA, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial, or other non-farming development.

A number of properties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides Council with the ability to continue to provide rating relief to certain properties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

This Transitional Policy is restricted to those farms which are owner operated, where the owner is a natural person and/ or is a company where the owners live on and operate the farm as a personal business. The policy specifically excludes those farms which are held as investment properties where the owners, corporate or otherwise, live either outside the district<sup>1</sup>.

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<sup>1</sup> This amendment to the policy is to clarify that the provision only applies to those farms where the farmer lives on the property and manages it as their main source of revenue. It is not designed apply to properties that are held as investments by owners who live outside the district.

### Effect of rates postponement values

The postponed portion of the rates for any rating period shall be the amount equal to the difference between the amount of the rates for that period calculated according to the postponement value of the rating unit a amount of the rates that would be payable for that period if the rates were calculated on the basis of its actual value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by Council in respect of the rating unit.

Any rates so postponed will, so long as the property continues to qualify for rates postponement, be remitted at the expiration of 10 years from the date at which the postponement was granted.

Each year a postponement fee will be added to the outstanding balance and will become part of the rates postponed on the rating unit pursuant to Section 88(3) of the Local Government (Rating) Act 2002.

### Policy Objective

To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy, where Council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Conditions and Criteria

1. This policy provision only applies to those rating units which previously qualified for a postponement of rates under policy P04/04, which was repealed on 30 June 2006, and which continues to be owned by the same ratepayer/s who owned it at that date<sup>14</sup>.
2. Council will not accept any new applications under this policy.
3. For the purposes of this transitional policy, the

definition of qualifying farmland has been revised as follows:

- a. Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes but excludes land that is used for forestry, life style, or farm park type purposes
  - b. The farming operation must provide the principal source of revenue for the owner of the land, who must be the actual operator of the farm and who must reside on the land.
  - c. The area of the land that is the subject of the application must be not less than 50 hectares.
4. The proper ties that are the subject of this policy will be identified and the rates postponement values determined by Council's Valuation Service Provider and will:
    - exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will
    - preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value.
  5. No objection to the amount of any rates postponement value determined under this policy will be accepted by Council (other than where the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial, or other non-farming use).
  6. The Postponement Value will be reviewed after each triennial revaluation and the revised value will be advised to the ratepayer. At that time Council will seek the advice of its valuation service provider as to whether they believe that the land continues to be actively farmed and qualifies under the terms of this policy provision. Council reserves the right to ask the owner to provide evidence showing that the land continues to operate as a farm.

7. The owner must agree to a statutory land charge being entered on the Certificate of Title of the farmland before receiving a postponement of rates.

### Termination and repayment of postponed rates

All rates that have been postponed under this policy and have not been remitted become due and payable immediately on:

1. The land ceasing to be farmland;
2. The interest of the owner is passed over to, or becomes vested in, some person or other party other than;
  - a. the owner's spouse, son or daughter ; or
  - b. the executor or administrator of the owner's estate.
3. Where only part of the land is disposed of then only part of the postponed rates will become immediately repayable. The amount repayable will be calculated in accordance with the following formula:

$$\frac{A \times C}{B}$$

Where:

A – is the difference between the rateable value and rates special value of the balance of the land retained by the person who was the occupier on the date on which the rates postponement value was entered on the valuation roll; and

B – is the difference between the rateable value and the special value of the whole of the land immediately before the date of the vesting of that interest in that other person. That special value shall be specially re-determined if, because of a general revaluation of the district in which the land is situated, the special value appearing on the valuation roll is no longer directly related to the rateable value on the date of the vesting; and

C – is the total amount of the rates postponed immediately before the date of vesting. In all cases the amount of the rates to be repaid will be not less than 20% of the

value of the total amount of rates currently postponed.

4. Subject to the land continuing to qualify for the special postponement value, any rates postponed under this policy will be remitted at the expiration of 10 years from the date on which they were assessed.

## Residential Rates for Senior Citizens

### Background

The payment of rates for senior citizens on a limited income can affect their quality of life. This policy provides senior citizens with the option of postponing their rates to be paid until a sale of the rating unit takes place, or, in the event that they pass away, until the settlement of their estate. This will relieve elderly people of potential financial hardship, and enhance the quality of their lives, including the ability to remain in their home longer with limited income.

### Policy Objective

To positively contribute to the quality of life for senior citizens by postponing rates payable.

### Scope

This policy applies to General Title Land. Council does not consider the application of this policy appropriate for Māori Freehold Land; because of the nature of Māori Freehold Land, Council does not consider it appropriate to charge postponed rates to the land. Landowners of Māori Freehold Land are eligible for remission of rates under the Extreme Financial Hardship Policy.

### Policy Statements

Council may postpone rates for ratepayers whose primary income is the New Zealand Superannuation Scheme. Any postponed rates will be postponed until:

- a. The settlement of the ratepayer's estate following their death; or
- b. The ratepayer ceases to be the owner or occupier of the rating unit; or
- c. The ratepayer ceases to use the property as their primary residence; or
- d. The accrued charges exceed 80% of the rateable value of the property (postponed rates will remain due for payment only on death, sale, or the date specified by Council); or
- e. A date specified by the Council.

### Conditions and Criteria

1. Postponement under this policy will only apply to ratepayers who are:
  - a. eligible to receive the New Zealand Superannuation Scheme, which is, or will be, their primary income; or
  - b. on a fixed income. This is defined as "an income from a pension or investment that is set at a particular figure and does not vary like a dividend or rise with the rate of inflation".
2. The rating unit must be used by the ratepayer as their primary residence. This includes, in the case of a family trust owned property, use by a named individual or couple.
3. The ratepayer must not own any property that may be used:
  - a. as a holiday home or rental property; or
  - b. for commercial activities, such as farming or business.
4. Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after payment of rates, for normal day to day living expenses, normal health care, and maintenance of the home and chattels to an adequate and reasonably healthy standard. If the applicant qualified for the Rates Rebate then their income had already been tested and they therefore qualify for the Rates Postponement. Council reserves the right to request any information around the ratepayer's personal circumstances that it deems necessary to make a decision.
5. People occupying a unit in a retirement village under a licence to occupy must have the agreement of the owner of the retirement village before applying for postponement of the rates payable on their unit.

6. If a property is still under a mortgage, a written and signed approval must be obtained from the Mortgagee as part of the application. This is because the payment of postponed rates will have priority over mortgage payments.
7. Properties that are the subject of a reverse mortgage are not eligible for rating relief under this policy.
8. Council has the right to decline rates postponement for a property that is in a known hazard zone. This is to minimise any risk of loss to Council.
9. Postponed rates will be registered as a statutory land charge on the rating unit title, meaning that Council will have first claim on the proceeds of any revenue from the sale or lease of the rating unit.
10. If rates are postponed, the ratepayer will still be responsible for the amount of rates equal to the maximum rebate available under the central government Rates Rebate Scheme for the current rating year. Council is able to assist applicants for the Rates Rebate Scheme. If the ratepayer is not eligible for a rates rebate, they will still be responsible for paying this amount, and will be required to enter into a payment arrangement to cover this portion.
11. Council will charge an annual administrative fee on postponed rates.
12. The postponed rates or any part thereof may be paid to Council at any time.
13. The property must be insured at the time the application is granted and must be kept insured. Evidence of this must be produced annually.
14. Senior citizens for whom rates are being postponed under this policy must promptly inform Council of any substantial change in their financial status which might affect their eligibility for such postponement.
15. For senior citizens who have had rates postponed under this policy but are no longer eligible for the postponement, those rates will remain postponed, and new rates will be charged accordingly.

## School Sewerage Charges

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### Background

The Council recognises that schools may be disproportionately charged for sewerage services where there are a higher number of toilets in relation to the actual number of students enrolled in schools. This policy ensures that schools are equitably charged for sewerage services.

### Policy Objective

To ensure equitable rating of educational establishments by providing relief for sewerage charges.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statements

Where the nominal number of pans is less than the actual number of pans, sewage charges will be remitted on those pans that make up the difference between the two.

### Conditions and Criteria

1. This policy applies to those educational establishments specified in Schedule 1, clause 6 of the Local Government (Rating) Act 2002.
2. The nominal pan number will be calculated as one pan per 20 students/staff members or part thereof.
3. This policy does not apply to residential dwellings on school property.
4. The number of students in an educational establishment is the number of students on its roll on 1 March of the year immediately before the year to which the charge relates.
5. The number of staff in an educational establishment is the number of full time teaching equivalent (FTTE) staff and full time equivalent (FTE) administration staff employed by that educational establishment on 1 March of the year immediately preceding the year to which the charge relates.

## Treaty Settlement Lands

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### Background

Council recognises that post-settlement governance entities (PSGEs), which are formed to receive properties returned as a part of Treaty of Waitangi settlements, will require time to develop strategic plans, restore protections, and complete necessary works for cultural and commercial redress properties. These properties can be classed as General Title, which means that the rating relief policies for Māori Freehold Land do not apply to all of these properties. This policy has been developed in recognition of these circumstances.

### Policy Objective

To recognise that lands acquired as part of a Treaty settlement process may have particular conditions or other circumstances which make it appropriate to remit rates.

### Scope

This policy applies only to Treaty Settlement Lands **and will retrospectively apply to any settlements prior to 1 July 2018**

### Policy Statement

Council will agree to remit rates on Treaty Settlement Lands subject to the criteria set out below.

### Conditions and Criteria

1. Before remission of rates may come into effect, Council must receive an appropriate and satisfactory application supported by sufficient documentation. Any remission granted will come into effect as of the date of that application.
2. The applicant must provide proof that the land which is the subject of the application is Treaty Settlement Land.
3. Returned lands that were non-rateable under the previous ownership will receive a full rates remission for a period of three years.
4. Where returned lands are commercial redress properties and are not used, Council will grant a 50% remission for a period three years.
5. Where the returned lands are commercial redress properties and meet the criteria as outlined in the Incentivising Māori Economic Development Policy, Council will remit rates on an eight-year sliding scale as follows:
  - Years 1-3 - 100% remitted
  - Year 4 - 90% remitted
  - Year 5 - 80% remitted
  - Year 6 - 60% remitted
  - Year 7 - 40% remitted
  - Year 8 - 20% remitted; and
  - Year 9 - 0% remitted

## Unusable Land

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### Background

Natural disasters can cause land to become unusable for a long period of time. This policy addresses the issue of land that had been made unusable by a natural disaster.

### Policy Objective

To provide rating relief to the owners of properties that have become unusable as a result of a natural disaster, and where the loss of the use of the property will result in financial hardship to the owner.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statement

Council may grant a remission of rates on land that has become indefinitely unusable as a result of a natural disaster.

### Conditions and Criteria

1. The applicant must set out in detail the nature of the natural disaster that has caused the land to be unusable.
2. The application must outline the steps that the owner has taken, or will take, to return the land to a usable state. If this is not possible, the application must state why.
3. The application must be supported by a geotechnical report from a registered engineer setting out the reasons why the land has become, and will remain, unusable.
4. The applicant will be required to sign an agreement that any remission will be cancelled immediately if the land is returned to a usable state.



## Wastewater Charges on Government Funded Subsidy Schemes

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### Background

From time to time, Central Government establishes funds to assist the development of wastewater schemes in communities that might not otherwise be able to afford it. The Government subsidy assists in the capital costs of a scheme. This policy ensures that the benefit of the Government subsidy is passed on to ratepayers in those communities that are of greatest need.

### Policy Objectives

1. To comply with the requirements of Government Funded Subsidy Schemes.
2. To ensure that ratepayers in those communities of greatest need receive a benefit from the subsidy in the form of reduced charges.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy Statement

The Far North District Council will provide a remission for the capital portion of the wastewater charge for new schemes funded by Government Subsidy where the deprivation index of that community is seven or higher.

### Conditions and Criteria

1. Where the policy applies, Council will automatically grant the remission to the rate accounts that qualify.
2. The remission will only apply to the capital portion of each year's rate and is only available to existing properties at the time that the relevant wastewater scheme became operational.
3. The remission will terminate 10 years after the date at which the sewerage scheme became operational.
4. Where a qualifying property is subdivided, any new rating units that are created over and above the original single rating unit will not be eligible for this remission.

## Proposed Policies for Revocation

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### Background

Section 109 of the LGA 02 provides for a remission or postponement policy to be revoked. The following policies have been reviewed and are proposed to be revoked for the reasons outlined below.

### Remissions of Additional Penalties

This policy provides for ratepayers to apply for a remission of additional penalties where they have entered into a Rates Easy Pay agreement to pay outstanding arrears over an agreed period of time.

### Rationale for revocation

On 5 June 2015 Council resolved to cease charging and remit all additional penalties outstanding on rate accounts prior to 30 June 2015. The Remission of Additional Penalties policy is now redundant.

### Remission of Postponed Rates

This policy directs Council to remit postponed rates that have reached the predetermined age or term as provided for in the rates postponement policies.

### Rationale for revocation

This policy is no longer required because each postponement policy now, where appropriate, contains a condition that once postponed rates reach the maximum term, they will be remitted.

### Remission of Rates on Land that has made Lump Sum Contributions

Prior to Local Government reorganisation in 1989, a number of sewerage schemes were established or enhanced using loans. In certain cases, the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. This policy provides a remission for ratepayers that have already made lump sum contributions to the cost of these loans.

### Rationale for revocation

Council does not have any claims for remissions under this policy and there are no lump sum contribution schemes. If there was future provision for lump sum contributions, Council automatically applies a remission.