



DRAFT Rates Remission and Postponement Policy

Statement of Proposal

FOR CONSULTATION



Introduction

This is a proposal to review Council's Rates Remission and Postponement Policy (Policy). The Policy is formed under section 102 and 109 of the Local Government Act 2002 (LGA) and section 85 of the Local Government (Rating) Act 2002.

Council is consulting on this Policy in accordance with section 82 of the Local Government Act 2002 (LGA). This section of the LGA sets out the principles for consultation that we must follow.

We are asking the community for submissions to assess support/objections so that feedback can be considered and if necessary amendments made, before the Policy is adopted.

Background

Council's Rates Remission and Postponement Policy (Policy) sets out how and when Council can remit or postpone payment on rates. Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002.

Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance but delayed for a certain time, or until certain events occur. The overall objective is to provide rates relief in situations to support both the fairness and equity of the rating system, and the overall wellbeing of the community.

We are required by legislation to review our Policy at least every six years (The Policy was last reviewed in 2023). Reviewing the Policy more regularly allows for changing requirements of both Council and the community to be included.

What is included in the Policy?

The Policy provides Council with the legislative authority to fairly and consistently remit rates or penalties on rates, or to allow for the postponement on payment of rates in situations it has deemed appropriate. Council's Rates Remission and Postponement Policy contains the following

1. Policy on the remission of rates on land protected for conservation purposes
2. Policy on the remission of penalties on unpaid rates
3. Policy on the remission of rates: other categories
4. Policy on remission of small rates balance
5. Policy on the remission of rates on Maori freehold land

6. Policy on the postponement of rates on Maori freehold land
7. Policy on remissions for metered water leaks
8. Policy on remissions of pan charge targeted rates based on water use
9. Policy on remissions of pan charge targeted rates for educational establishments
10. Policy on the remission of rates on abandoned land
11. Policy on the remission and postponement of rates for natural disasters and emergencies

Are we proposing any changes to the Policy?

Council are not proposing any major changes to the Policy apart from the removal of the policy on the remission of 2023/2024 targeted rates for kerbside collection. This was included in 2023 as a result of the new kerbside collection service introduced from September 2023. This ensured that the targeted rate for the 2023/2024 year was only charged to properties where the kerbside collection service was available to them. This policy is no longer required and has been removed.

We want to know from you if you think any changes are required to meet the needs of the community.

Analysis of reasonably practicable options

Council has considered the following options in reviewing the Policy and we would like to hear your feedback on what we should do:

Option 1 – Adopt the draft Policy

Council would adopt the Policy as it has been proposed.

Advantages	Disadvantages
The public are more likely to be familiar with the current Policy.	Removing the policy on the remission of 2023/2024 targeted rates for kerbside collection would not be removed. This would not reflect current circumstances.
Remissions/postponements remain the same and property owners may have come to expect that these would continue.	
The policy on the remission of 2023/2024 targeted rates for kerbside collection will be removed as it is no longer required	

Option 2 – Adopt the Policy with changes after public consultation

The Policy would change to reflect public consultation.

Advantages	Disadvantages
Changes may better reflect current circumstances.	Rates remission/postponement entitlements may change for some property owners.

Option 3 – Revoke the Policy

Council would revoke all or some of the Policies.

Advantages	Disadvantages
No one would be eligible for a rates remission, however Council may collect more in rates and penalties on late payments.	No one would be eligible for a rates remission, removing the ability to remit rates in certain circumstances where it would otherwise be reasonable to do so.
	Revocation of certain policies would be in breach of our role under section 102 of the Local Government Act 2002 that states that we are required to adopt a policy on the remission and postponement of Māori freehold land.

Statutory Requirements

Under section 102 of the Local Government Act 2002 Council must adopt a policy on the on the remission and postponement rates and must adopt a policy on the remission and postponement of rates on Māori freehold land. Section 102 is detailed below:

102 *Funding and financial policies*

- (1) *A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*
- (2) *The policies are—*
 - (a) *a revenue and financing policy; and*
 - (b) *a liability management policy; and*
 - (c) *an investment policy; and*
 - (d) *a policy on development contributions or financial contributions; and*
 - (e) *a policy on the remission and postponement of rates on Māori freehold land; and*
 - (f) *in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.*
- (3) *A local authority may adopt either or both of the following policies:*
 - (a) *a rates remission policy;*
 - (b) *a rates postponement policy.*

In reviewing these Policies, we must do so giving effect to section 82 of the Local Government Act - principals of consultation.

Have your say

Whether you agree, oppose or you have suggestions on things we could change for this proposal or any other proposal, we want to hear from you.

You can make a submission between 21 March and 21 April 2024.

For more information about this proposal, and to see what else we are consulting on, go to mpdc.govt.nz/ltip

Making a submission

🖥️ Go to mpdc.govt.nz/ltip to fill out the online form

📄 Drop off form: Any Council office

📬 Mail to: PO Box 266, Te Aroha 3342

✉️ Email: info@mpdc.govt.nz

Head to mpdc.govt.nz/ltip to make a submission and have your say by 21 April 2024

Please be aware that submissions made to Council are public information. Your submission will be used and reproduced for purposes such as reports to Councillors, which are made available to the public and media.

Key Dates

Council adopt proposal for community consultation	13 March 2024
Submission period	21 March – 21 April 2024
Community present submissions to Council	8 May (9 May if needed) 2024
Proposal is adopted	26 June 2024
New Rates Remission and Postponement Policy applies	1 July 2024