

POLICY ON REMISSION OF RATES FOR LAND SUBJECT TO COUNCIL INITIATED ZONE CHANGES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To allow Council, at its discretion, to remit rates charged on any rating unit used for residential purposes that is rezoned as a result of a Council initiated zone change. The aim of this Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected by an increase in rates when the land value of their rating unit increases as a result of a Council initiated zone change. The Council's preference is to allow a transition period before affected ratepayers are required to pay the increased rates in full. It is accepted that the rates remitted will be paid by other ratepayers.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to rating units in the Tasman District.
- 1.2 The Council may, on the application of a ratepayer, remit all or part of the rates on a rating unit, if
 - a) the rating unit is used for residential purposes,
 - b) the rating unit has been rezoned as a result of a Council initiated zone change made under Part 1 Schedule 1 of the Resource Management Act 1991,
 - c) the zone change was notified after 5 October 2007,
 - d) the effect of that zone change is that the land value of the rating unit increases, and
 - e) consequently the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
- 1.3 The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as result of the zone change.
- 1.4 To be considered for a rates remission under this Policy:
 - a) the rating unit must be situated within the area of land that has been rezoned;
 - b) the rating unit must be used for residential purposes, and must have been used for residential purposes prior to the zone change being initiated by the Council;
 - c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
 - d) the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.
- 1.5 The remission of all or any part of the rates on a rating unit may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the

rates payable in respect of the rating unit, provided that no rates shall be remitted that were due in a financial year (1 July to 30 June) prior to the one in which this Policy commenced.

- 1.6 The decision to remit all or any part of the rates on a rating unit shall be at the sole discretion of the Council.
- 1.7 The Council may refuse to remit rates even where the conditions set out in this Policy are met by a ratepayer.
- 1.8 Subject to clause 1.9 of this Policy the remission of rates on a rating unit will cease upon the happening of any of the following events:
 - a) the death of the ratepayer,
 - b) the ratepayer ceases to be the owner of the rating unit,
 - c) the ratepayer ceases to use the rating unit as his/her principal place of residence,
 - d) a date determined by the Council in any particular case, or
 - e) any earlier date determined by the ratepayer in any particular case.
- 1.9 The Council may at any time, at its discretion, grant the ratepayer an extension of the rates remission period previously agreed to by the Council.
- 1.10 The Council may consider and be guided by the following criteria in its decisions on applications for a rates remission under this Policy –
 - a) those relevant matters set out in s101 of the Local Government Act 2002 relating to the determination of appropriate funding sources;
 - b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
 - c) whether the applicant ratepayer has realised a financial benefit from the zone change;
 - d) the influence of market movements on land values;
 - e) the personal circumstances including the financial circumstances of the applicant ratepayer;
 - f) equity and fairness among ratepayers;
 - g) the precedent effect.

Definitions

- 1.11 In this Policy, 'residential purposes' means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the ratepayer as their principal place of residence.
- 1.12 In this Policy 'ratepayer' means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.
- 1.13 In this Policy 'rates' means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.

2. PROCEDURE

- 2.1 If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 15 September. If the applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council.
- 2.5 As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any remission will be based on valuations supplied by Council's valuation service provider.
- 2.6 Council may recover costs from applicant ratepayers in accordance with the Fees and Charges schedule.
- 2.7 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.