

# REMISSION OF RATES POLICY



Document Type	Operational Policy
Adopted by	Chief Executive
Date Adopted	18 March 2025
Date Effective	1 July 2025
Responsible Department	Finance
Responsible Officer	Chief Financial Officer
To be reviewed	By June 2028

## 1. Purpose

- 1.1. A partial reduction in the amount of rates you have to pay is called a rates remission.
- 1.2. This policy details how Gore District Council (the Council) rates remissions are available for ratepayers that meet the criteria outlined in this policy.
- 1.3. This policy links to the Council's following strategic documents and policies:
  - Financial Strategy;
  - Annual Plan;
  - Long-Term Plan.
- 1.4. This policy adheres to the requirements in Section 109 of the Local Government Act 2002, and also Part 4 and Schedule 1 (Parts 1 and 2) of the Local Government (Rating) Act 2002. If a local authority develops a remission of rates policy, it must include:
  - the objectives sought to be achieved by the remission of rates; and
  - the conditions and criteria to be met in order for the rates to be remitted.

## 2. Scope Of Remissions

### Fully non-rateable

- 2.1. All land detailed in Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be treated as fully non-rateable. This includes land that is:
  - designated by legislation as reserves, National Parks and conservation areas;
  - used by a local authority for public gardens, playgrounds, games and sports (excluding horse or greyhound racing), libraries, public halls, museums, art gallery, swimming pools;
  - used for educational purposes such as a school or early childhood and care centres or training centres (state, integrated, specialist, private, charter and Kohanga Reo) – except where that school or early childhood centre operates for profit;
  - owned or used by Health New Zealand to provide health related services;

- used solely or principally as a place of worship, or as a Sunday or Sabbath school – except where that Sunday or Sabbath school is for private profit;
- Māori customary land, Māori freehold land on which a meeting house is erected, or land that is used as a marae – except where that Māori freehold land or marae land is primarily used for commercial or agricultural activity or as residential accommodation.

### **Fifty percent remission of general rates**

2.2. A 50% remission of general rates will apply to all land qualifying under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002. This includes land that is:

- owned or used by an incorporated society (under the Agricultural and Pastoral Societies Act 1908) as a showground or place of meeting – except where that use is for private profit;
- owned or used by a society or association for games or sports (excluding horse or greyhound racing) – except where the land is covered by a current club licence (under the Sale and Supply of Alcohol Act 2021);
- owned or used by a society or association for the purpose of any branch of the arts – except where that use is for private profit.

### **Other remission related**

2.3. In addition to these, the Council has remission policies for:

- community and sporting organisations;
- economic development rating incentives;
- penalties;
- remission of uniform annual general charge and Southland Heritage Trust rates where a property extends into a neighbouring district;
- rating of Māori freehold land.

## **3. Community and Sporting Organisations**

### **Objectives**

3.1. The objectives of this policy are to:

- facilitate the ongoing provision of non-commercial (non-business) community services that meet the needs of Gore District residents;
- facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Gore District residents;
- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

### **Conditions and Criteria**

3.2. The Council may remit rates where the applications meet the following criteria:

- i) the policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes;

- ii) the policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees;
- iii) the policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only;
- iv) no remission of rates will be granted to organisations that receive a grant from the Council, nor will a remission be granted for premises that hold either a liquor or gambling licence;
- v) the application for rate remission must be made to the Council prior to the commencement of each rating year; applications received and approved during a rating year will be applicable from the commencement of the following rating year. No approvals will be backdated;
- vi) organisations making an application should include the following documents in support of their application:
  - a) statement of objectives;
  - b) full financial accounts;
  - c) information on activities and programmes;
  - d) details of membership or clients.
- vii) organisations that meet the criteria will be entitled to a 50% remission of all rates except for targeted rates for water, wastewater, and solid waste;
- viii) notwithstanding the above, groups whose primary purpose is to provide recreational, sporting or community services for children (under 18 years) may apply for a 100% remission of all rates except for targeted rates for water, wastewater, and solid waste;
- ix) Gore and Districts Health will receive a 100% remission of rates on land that it owns or occupies and from which it provides health or related services. Any remission will apply to all rates except for targeted rates for water, wastewater, and solid waste.

## 4. Economic Development Rating Incentives

### Objective

4.1. The Council offers a rate remission as an encouragement for business development and growth.

### Conditions and Criteria

4.2. The incentive will be made available, on application, for new business initiatives and for expansion of existing businesses that meet the following criteria:

- i) the Council must be sure that it is not providing an advantage to one business over another when there is competition between two or more business enterprises;
- ii) the Council support will only be given to well-planned developments from applicants who can show a good track record of success;
- iii) no incentives will be given as a subsidy to 'stay alive';
- iv) incentives will be relative to employment opportunity and the creation of full-time positions or full-time equivalent positions (fte). Each fte is required to have a value of \$10,000 or more and must be resident within the Gore District;
  - a) the scale of incentives will be:
    1. 10 to 99 fte = reduction of 10.0%

2. 100 to 149 fte = reduction of 20.0%

3. 150+ fte = reduction of 25.0%

- v) the reductions will apply to all rates except for targeted rates for water, wastewater, and solid waste;
- vi) rates reductions will be paid retrospectively upon receipt of evidence that the employment opportunities have been created;
- vii) the rate reductions will be available for up to three years;
- viii) all applications must comply with relevant legislation.

4.3. The Council may apply additional conditions as it sees fit from time to time.

4.4. The Council may cancel any remission granted in respect of the rating year in the event of noncompliance with any conditions imposed and if it does so, it may require full rates to be paid.

4.5. The application of this policy will be at the sole discretion of the Council.

## 5. Penalties

### Objective

5.1. The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

### Conditions and Criteria

5.2. The Council may remit the penalty rates where the applications meet the following criteria:

- i) remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date;
- ii) remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so;
- iii) remission of rates penalties will be considered where the remission will facilitate the recovery of rates arrears from a property;
- iv) remission of rates penalties will be applied where the ratepayer enters into a direct debit arrangement that is sufficient to keep their rates account up to date;
- v) remission of rates penalties will be considered where there is a mutually agreed rates repayment plan with the Council;
- vi) where the circumstances are such that to not remit some or all of the penalty would be unfair or unreasonable and inconsistent with the criteria above;
- vii) the Council may remit small balances due to cash rounding;
- viii) decisions on remission of penalties will be delegated to officers as set out in the Council's delegation manual.

## 6. Remission of Uniform Annual General Charge and Southland Heritage Trust rates where a property extends into a neighbouring district

### Objectives

- 6.1. In the rare case where a property extends into the territory of a neighbouring council, that property qualifies as a rating unit in both territories. This means the property will be charged fixed rates such as a Uniform Annual General Charge by both councils. In essence this means the property pays rates on the same land twice.
- 6.2. The objective of this policy is to apply a remission so property owners in this situation are not disadvantaged.

### Conditions and Criteria

- 6.3. The Council will remit the Uniform Annual General Charge and the Southland Regional Heritage trust Rate from land that extends into a neighbouring district and that meets the following criteria:
  - i) the remission will apply where the portion of the land in the Gore District is not used separately from the rest of the land, and there are no dwellings on the portion of the land in the Gore District;
  - ii) where a dwelling or separately used part of a rating unit exists in the Gore District, the remission will not apply.

## 7. Rating of Māori Freehold Land

- 7.1. Māori Freehold land will be rated in accordance with Part 4 of the Local Government (Rating) Act 2002 and the Gore District Council's rates remission and postponement policies. The Council does not have a rates remission or rates postponement policy specific to Māori Freehold land.

## 8. Policy implementation and review

- 8.1. It is the responsibility of the Chief Executive to deliver the objectives of this policy.
- 8.2. This policy is to be reviewed by June 2028.
- 8.3. This policy comes into effect on 1 July 2025.
- 8.4. This policy was adopted by the Gore District Council at its meeting held on 18 March 2025.



Debbie Lascelles

**Chief Executive**

27 March 2025

### Document History and Version Control Table

Version	Action	Approval Date	Approval Authority	Due for Review
1.0	Creation of original document	January 2017	Chief Executive	2023
2.0	Review of document	March 2022	Chief Executive	2025
3.0	Review of document	March 2025	Chief Executive	2028