



# **Statement of Proposal**

## **Policies on the Remissions and Postponement of Rates**

**Consultation 16 March – 19 April 2021**



This is a proposal to review our Policies on the Remissions and Postponement of Rates (Policies) under the Local Government Act 2002 (LGA). We are proposing some amendments and additions to our Policies and asking the community for submissions to assess support/objections so any alterations can be considered before Council adopt the Policies and they come into effect on 1 July 2021

### **Background**

In the interest of efficiency this Statement of Proposal (SOP), for the review of Policies, is being undertaken alongside the Long Term Plan 2021-31. Council is consulting on the Policies using section 83 (special consultative procedure) of the LGA as this aligns with what we are required to do for the Long Term Plan 2021-31 consultation. This also covers the requirement to consult in a way that gives effect to the principals of consultation of the LGA.

### **Purpose**

The purpose of consultation is to assess public support/objections so any alterations can be considered before Council adopt the Policies.

### **What are the Policies?**

The Policies provide us with the legislative authority to consistently and fairly remit rates or penalties on rates, or to allow for the postponement on payment of rates in situations it has deemed appropriate. Remissions and postponement of rates provide rates relief in situations to support both the fairness and equity of the rating system and the overall wellbeing of the community.

### **Reason we review our Policies**

We are required by legislation to review our Policies at least every six years (Policies were last reviewed alongside the Long Term Plan 2018-28). Reviewing the Policies more regularly allows for changing requirements of both Council and the community.

### **What are the key changes to the Policies?**

#### Proposed amendment

Council has a number of "Utilities" rating units that have no Land Value but huge Capital Value. It is proposed to amend Rates Remission Policy number 3 to ensure that it cannot be utilised to provide remission to these rating units. The proposal is to amend the rate remission for small valued properties, this is currently 'less than \$500', we propose to amend it to be 'greater than \$1 and less than \$500'.

### **Analysis of reasonably practicable options**

We have considered three possible options in reviewing the policies and we would like your thoughts on what we should do.

#### Option 1 – Adopt the Policies

Council would adopt the Policies as they have been proposed.

<b>Advantages</b>	<b>Disadvantages</b>
Updating of existing Policies would occur to reflect current circumstances.	Rates remissions entitlements may change for some property owners.

#### Option 2 - Status quo

The Policies would remain the same as present.

<b>Advantages</b>	<b>Disadvantages</b>
The public are more likely to be familiar with the current Policies.	Updating/additional Policies to reflect current circumstances would not occur.
Remissions remain the same and	Redundant policy wording would be retained.

property owners may have come to expect that these will continue.	
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### Option 3 – Revoke the Policies

Council would revoke all or some of the Policies.

<b>Advantages</b>	<b>Disadvantages</b>
No one would be eligible for a rates remission, we 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 Maori freehold land.

### **Statutory requirements**

Under section 102 of the Local Government Act 2002 we are required to adopt a policy on the remission and postponement of Maori freehold land and may adopt a policy on the remission of rates. In reviewing these Policies, we must do so giving effect to section 82 - principals of consultation.

#### *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.*

*(4) A local authority—*

- (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section:*

### **Proposed Policies – from draft to adoption**

The views of the community are vital to our success. Therefore, we would like to invite the community to provide submissions on the proposed amendments to the policies to assist us in the decision making process.

#### **The submission process**

<b>Process</b>	<b>Date</b>
Council approve statement of proposal and Policies on the Remission and Postponement of Rates for public consultation	9 December 2020
Consult the community (alongside the Long Term Plan 2021-31 and associated documents)	16 March to 19 April 2021
Council hearing (volume of submitters will determine if the meeting	12 May & 13 May

is required to run for both days)	2021 (if required)
Submitters to be advised of outcome of hearing	May/June
Adopt Policies	30 June 2021
Policies come into effect	1 July 2021

### **Where can I find more information?**

You can download the Policies on the Remission and Postponement of Rates, Long Term Plan 2021-31 or any of the other documents at [www.mpd.govt.nz](http://www.mpd.govt.nz) and you can view a copy of these documents at our offices or libraries.

### **How can I have my say?**

We actively encourage the community to contribute to the formation of these important documents and it is easy to have your say. Simply make a submission on any/all draft documents (Policies on the Remission and Postponement of Rates, Long Term Plan 2021-31 or any of the other documents) and return it to us by 19 April 2021.

You can make a submission:

Online - through our website at [www.mpd.govt.nz](http://www.mpd.govt.nz)

Email - [submissions@mpd.govt.nz](mailto:submissions@mpd.govt.nz)

Fax - 07 884 8865

Written- you can simply write your submission as a letter and either drop it off at one of our offices or post it to:  
 Submissions  
 PO Box 266  
 Te Aroha 3342

Note: 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.

If you advise in your submission that you wish to speak to your submission at the hearing on 12 May 2021, Council staff will contact you (please ensure to provide a day time contact) to arrange a time for you to speak at the meeting on 12 May 2021 (volume of submitters determines if the meeting will run 13 May also). If you advise on your submission that assistance is required Council is able to offer assistance with special requirements such as New Zealand sign language and audio visual mechanisms.

### **Office and library locations**

- Te Aroha Council Office: Kenrick Street Te Aroha
- Te Aroha Library: Rewi Street, Te Aroha
- Morrinsville Area Office or Library: Canada Street, Morrinsville
- Matamata Area Office or Library: Tainui Street, Matamata

### **Any questions?**

We are here to help - so if you have any questions about the Policies or the submission process please let us know. Just call us on 07 884 0060 and let our friendly Customer Services staff know you have a question about the Policies on the Remissions and Postponement of Rates.

**You must have your submission back to Council by 19 April 2021**