



# Statement of Proposal

Policies on the Remissions and Postponement of Rates

Consultation 28 March-29 April 2018

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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 2018.

### **Background**

In the interest of efficiency this Statement of Proposal (SOP), for the review of Policies, is being undertaken alongside the Long Term Plan 2018-28. 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 2018-28 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 2015-25). Reviewing the Policies more regularly allows for changing requirements of both Council and the community.

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

#### Proposed amendments

Policy on the remission of rates: other categories:

1. Addition of a full remission available for land with a value of less than \$500.
2. Removal of the remission of the Uniform Annual General Charge available on properties where the owners of one property are private individuals and the related property is held in the applicant's family trust.

#### Proposed new Policies

Draft Policy on remission of rates on abandoned land – To enable Council to avoid administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

Draft Policy on the remission and postponement of rates for natural disasters and emergencies – In the event of a natural disaster or other type of emergency affecting the capacity of one or more rating units to be used for an extended period of time.

Changes are identified in the Policies in red, additions are underscored and deletions struck through.

### **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 Council structure, and clarification of the Policies.	Rates remissions entitlements may change for some property owners.
Additional Policies to cover more circumstances where remission would be fair.	

#### 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 situations would not occur.
Remissions remain the same and property owners may have come to expect that these will continue.	Redundant policy wording would be retained.
	Increases on dollar value thresholds would not occur – this would not reflect the increases in property values that have occurred over time.

#### 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	22 November 2017
Consult the community (alongside the Long Term Plan 2018-28 and various policies)	28 March – 29 April 2018
Council hearing (volume of submitters will determine if the meeting is required to run for both days)	16 May & 17 May 2018 (if required)
Submitters to be advised of outcome of hearing	18 May-22 June 2018
Adopt Policies	27 June 2018
Policies come into effect	1 July 2018

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

You can download the Policies on the Remission and Postponement of Rates, Long Term Plan 2018-28 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 2018-28 or any of the other documents) and return it to us by 29 April 2018.

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- forms are available at any of our offices or libraries, or 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 16 May 2018, 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 16 May 2018 (volume of submitters determines if the meeting will run 17 May also). If you advise on your submission 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 5pm 29 April 2018**