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**Committee** Policy, Finance and Strategy Committee  
**Author** Wayne Hastie Council Secretary

## Remission of rates request

### 1. Purpose

To consider a request from Hutt City Council to grant rate remissions to properties affected by flooding and land slips.

### 2. Background

At its meeting of 21 September 2004, Hutt City Council approved the remission of rates to a number of residential and commercial properties that have been significantly affected by flooding and land slips this year. At the same time, Hutt City Council resolved to approach the Greater Wellington Regional Council with a request to give favourable consideration to remitting its rates on the same properties for the same period of time.

Copies of the Hutt City Council report and resolutions are included as **Attachments 1 and 2**.

### 3. Rates Remissions

Greater Wellington adopted a rates remission policy as part of the Long Term Council Community Plan. The policy does not provide for the remission of rates resulting from storm damage. However, there is a transitional provision in the Local Government (Rating) Act 2002 that enables the Council to remit rates as if the Rating Powers Act 1988 were still in effect. This transitional provision expires on 30 June 2005

Section 180 of the Rating Powers Act 1988 states:

*Where the use that may be made of any land has been detrimentally affected by erosion, subsidence, submersion, or other natural calamity, any local authority may, where it considers it to be fair and reasonable to do so, remit, wholly or in part, any rate or charge or uniform annual general charge made and levied in respect of the land, or the payment of any minimum rates specified in section 109 of this Act.*

Greater Wellington is therefore empowered to remit rates in accordance with this provision.

In relation to the commercial properties affected by the February 2004 storms, Council has delegated authority to officers to provide remissions in accordance with the Government's assistance scheme. However, there is no delegation to deal with residential properties affected by the February storms, or for any properties affected by a natural calamity at any other time.

#### **4. Considerations**

The criteria that has been used by Hutt City Council to determine when a property is eligible for a remission is that it is uninhabitable for a period of time. In their report they note that in many cases the ratepayers have lost almost all of their possessions and all have suffered financial hardship, even if insured.

Consideration of the issue by Hutt City Council generated some media coverage, and as a result some additional property owners have applied for a remission. If remissions are granted to the current properties, then provision should be made to grant similar remissions to the additional properties, subject to the same properties receiving a remission from the Hutt City. Such decisions should be delegated to the Chief Executive to avoid the need to bring similar matters back before the Council.

The financial implications for the Council in relation to the 24 properties that are the subject of the current request are small. However, many properties in the Wellington region have been affected by flooding and storm events during the current year and a favourable response to the current request may result in further requests coming forward.

At its meeting on 30 June 2004, in response to a request from Porirua City Council, the Council agreed to remit rates for a single property severely damaged during the February 2004 storm.

#### **5. Communication**

Greater Wellington's decision will be communicated to Hutt City Council. All communication with the affected ratepayers will be through Hutt City.

#### **6. Recommendation**

*That the Committee recommends that Council:*

*EITHER*

- (1) grant the remissions outlined in Appendix 1 and 2 of Attachment 1 to this Report, in accordance with section 139 of the Local Government (Rating) Act 2002 and section 180 of the Rating Powers Act 1988*

- (2) ***delegate** to the Chief Executive the power to remit rates in accordance with section 139 of the Local Government (Rating) Act 2002 and section 180 of the Rating Powers Act 1988 in those circumstances where a remission has been granted by a territorial authority*

OR

- (3) ***decline** to grant the remissions sought by Hutt City Council.*

Report prepared by:

**Wayne Hastie**  
Council Secretary

**Attachment 1:** Report from Hutt City Council

**Attachment 2:** Resolutions from Hutt City Council