

# Rates Remission Policy for High Value Property

## Policy Objectives

The objective of this policy is to cap residential rates by way of a rate remission (KDC rates only)

## Principles

Council believes that disproportionately high rates would discourage residential development in the District and act as a disincentive for improvement to existing homes. It also considers that they would place an unfair burden on a small group of ratepayers.

## Definitions

### Capital Value

Capital value is the value of land plus improvements, as determined by the Valuer General.

### Rating Unit

For land for which there is a certificate of title, a rating unit is the land comprised in the certificate of title. Where there is no certificate of title, what constitutes a rating unit is either the land described in an instrument which exists or if there is no instrument, the land that the Valuer General considers would be appropriate to sell or transfer as a separate property or, for crown land, to treat as if comprised in a certificate of title. If land in a rating unit is in two or more districts, the part in each district constitutes a separate rating unit.

### Separately used or inhabited part of a rating unit

Separately used or inhabited part of a rating unit is any portion of a rating unit that is used or inhabited by a person who has the right to

do so by virtue of a tenancy, lease, licence or other agreement.

## Background

Council's rating system is based on capital value. This previously resulted in a small number of residential rating units with high capital values incurring disproportionately high annual rates. Therefore, Council decided to adopt a remission policy to put a cap on the rates that are charged to individual residential properties.

Council first adopted the Rates Relief for High Value Properties policy for the 2005/06 rating year. At that time, the cap was set at \$2,000 (including GST) per rating unit. For each subsequent year the level of the cap rose by the percentage increase in total rates. For the 2024/25 year, the proposed cap is \$5,500.00.

Year	Maximum Rates (Incl. GST)
2023/24	\$4,900.00
2024/25	\$5,500.00

## Policy Statement

All residential rating units, or separately used or inhabited parts thereof, that incur rates above the cap will have the excess rates remitted automatically. The cap applies to the sum of the general rate, one uniform annual general charge and one standard targeted rate for each service rated in that way.

The following charges will be payable in addition to the cap:

1. Targeted rates for all services provided to each separately used or inhabited part of a rating unit.
2. Additional residual refuse bins supplied to any rating unit or separately used or inhabited part of a rating unit.