

## **EARTHQUAKE RELATED RATES REMISSION POLICY**

### ***Objective of the policy***

Christchurch City Council does not normally waive or remit rates payable on properties damaged during a rating year. Rates are legally payable and Council generally expects the owners/occupiers of a property which is damaged, for example by fire, will be covered by insurance.

However, following the earthquake and aftershocks the Council has adopted an extraordinary rates relief package for commercial and residential property owners. The package, which amounts to \$1.4 million in lost rates revenue for the city, is aimed at aiding those most adversely affected.

### ***Adoption of the Policy***

The Council adopted a Rates Remission Policy in the 2009-19 Long Term Council Community Plan (LTCCP). Section 102(6) of the Local Government Act 2002 enables a Rates Remission Policy to be amended only as an amendment to the LTCCP. The Canterbury Earthquake (Local Government Act 2002) Order 2010 exempts the Council from this provision in certain circumstances.

These circumstances include a decision made by the Council that is necessary or desirable to further one or more of the purposes of the Canterbury Earthquake Response and Recovery Act 2010. The relevant purposes in respect of the proposed review of the rates remissions and rates postponement policies are:

- (a) To facilitate the Council's response to the earthquake;
- (b) To provide adequate statutory power to assist with the response;  
and

(c) To enable the relaxation or suspension of statutory provisions that may not be reasonably capable of being complied with, or complied with fully, owing to the circumstances resulting from the earthquake.

On 18 November 2010 the Council resolved to amend its Rates Remissions Policy. This decision falls within the purposes of the Canterbury Earthquake Response and Recovery Act 2010. The Council has therefore relied on the exemption from compliance with section 102(6) of the Local Government Act 2002 contained in the Canterbury Earthquake (Local Government Act 2002) Order 2010.

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Residential and Non-rateable properties requiring land remediation***

**Objective**

To provide some financial relief to those Residential ratepayers most adversely affected by the earthquake. In particular, this remission is intended to provide assistance for the owners or tenants of properties whose dwellings are required to be vacated and/or demolished to allow land remediation to be undertaken by either the Earthquake Commission or private insurers.

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants.

Council's adoption of a 40% rates remission reflects the rates that would normally be paid for Council services provided directly to a property. These are the rates for water, wastewater, land drainage, and waste collection.

Residents and ratepayers access all other Council services such as libraries, recreational facilities and roading remotely from their properties. Because these services are not delivered directly to a property the rates collected to fund these services have not been remitted.

Council wishes to encourage the re-occupation of land damaged by the earthquake following its repair. Therefore, if rebuilding on a property does not commence within six months of the completion of remediation the remission will cease.

**Remission**

Remit 40 per cent of rates for residential properties on land identified by EQC as requiring remediation, from 1 September 2010 until the

earlier of the completion of rebuilding or six months following completion of land remediation if building has not commenced.

**Conditions and criteria**

Residential properties are eligible for remission where:

- the property was subjected to land damage and the Earthquake Commission or private insurers are undertaking land remediation on the property, and
- the dwelling is required to be vacated while it is either relocated offsite or demolished to enable the land remediation to be undertaken

All applications for remission must be supported by documentation from the Earthquake Commission or private insurance firms showing that the property meets the criteria above.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

**Remission Applies to:**

All qualifying properties classified as Residential or non-Rateable for rating purposes.

This remission does not automatically apply to properties that are located within areas designated as Zone C (severe or major land damage, or located close to areas of major remedial work). To qualify for the remission the affected property must have land remediation take place on site and the dwelling must be relocated or demolished to enable that remediation (as set out in the Criteria above).

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Residential, Rural and Non-rateable properties that are uneconomic to repair.***

**Objective**

To provide some financial relief to those Residential ratepayers most adversely affected by the earthquake. In particular, this remission is intended to provide assistance for the owners or tenants of properties whose insurer has determined that the dwelling is uneconomic to repair and must be demolished and rebuilt.

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants.

Council's adoption of a 40% rates remission reflects the rates that would normally be paid for Council services provided directly to a property. These are the rates for water, wastewater, land drainage, and waste collection.

Residents and ratepayers access all other Council services such as libraries, recreational facilities and roading remotely from their properties. Because these services are not delivered directly to a property the rates collected to fund these services have not been remitted.

Where possible Council wishes to encourage the continued occupation of properties damaged by the earthquake. Therefore this remission is provided only for that period in which the property is unable to be occupied.

**Remission**

Remit 40 per cent of rates for residential properties which are uneconomic to repair for the period which the house is unable to be occupied.

**Conditions and criteria**

Residential properties are eligible for remission where:

- the property was extensively damaged, and
- insurers have determined that the dwelling is uneconomic to repair, and
- the dwelling is required to be demolished and rebuilt

Eligibility for the remission commences on the date when the property is either:

- required by the insurer to be vacated prior to demolition, or
- deemed to be unsafe by Council or a suitably qualified professional (for example a structural engineer).

All applications for remission must be supported by documentation from insurance firms showing that the property meets the criteria above.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

**Remission Applies to:**

All qualifying properties classified as Residential, Rural and Non-rateable for rating purposes.

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Residential properties with extended interruption to wastewater services.***

**Objective**

To provide some financial relief to those Residential ratepayers most adversely affected by the earthquake. In particular, this remission is intended to remit the Sewerage Rate for the owners or tenants of properties who had an extended interruption to wastewater services and remained unable to connect to the reticulated wastewater network at 31 October 2010.

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants.

Council's adoption of a 40% rates remission reflects the rates that would normally be paid for Council services provided directly to a property. These are the rates for water, wastewater, land drainage, and waste collection.

Residents and ratepayers access all other Council services such as libraries, recreational facilities and roading remotely from their properties. Because these services are not delivered directly to a property the rates collected to fund these services have not been remitted.

**Remission**

Remit 40 per cent of rates for three months to those properties that remain unable to connect to the reticulated wastewater network at 31 October 2010.

**Conditions and criteria**

This remission is only available to the owners of properties that are unable to connect to the reticulated wastewater network because of damage to Council owned infrastructure.

This remission will not be provided to owners of properties that are unable to connect to the reticulated wastewater network because of damage to lateral connections owned by the ratepayer (i.e. the pipes running between buildings and Council infrastructure in the street).

Qualifying properties will be determined based on Council records and the remission automatically credited to ratepayers accounts.

**Remission Applies to:**

All qualifying properties.

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Business properties classified by Council as R1 (significant damage repairs strengthening possible) and R2 (severe damage demolition likely).***

**Objective**

To provide some financial relief to those Business ratepayers most adversely affected by the earthquake. In particular, this remission is intended to provide assistance for the owners or tenants of Business properties unable to occupy their building because it has been classified by Council as R1 (significant damage repairs strengthening possible) and R2 (severe damage demolition likely).

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants, whether or not the lease or rental agreement specifically requires the tenant to pay rates outgoings.

Council's adoption of a 30% rates remission reflects the rates that would normally be paid for Council services provided directly to a Business property. These are the rates for water, wastewater, land drainage, and waste collection.

All other Council services such as the road network, events and festivals, and economic development are not provided directly to a property. Because of this the rates collected to fund these services have not been remitted.

**Remission**

Properties damaged during the 4 September earthquake event:  
Remit 30 per cent of rates for business properties classified by Council as R1 (significant damage repairs strengthening possible) and R2 (severe damage demolition likely) from 1 September 2010 until the property is either rebuilt, strengthened and reoccupied, or revalued to reflect condition.

Properties damaged during the significant aftershocks on 26 December 2010:

Remit 30 per cent of rates for business properties classified by Council as R1 (significant damage repairs strengthening possible) and R2 (severe damage demolition likely) from 26 December 2010 until the property is either rebuilt, strengthened and reoccupied, or revalued to reflect condition.

**Conditions and criteria**

Business properties are eligible for remission where the property has been classified by Council as:

- R1 (significant damage repairs strengthening possible), or
- R2 (severe damage demolition likely)

The remission is available to qualifying properties from either 1 September or 26 December 2010 until the property is either rebuilt, strengthened or repaired and reoccupied, or revalued to reflect condition.

Qualifying properties will be determined based on Council records. In most circumstances the Council will also require additional information be provided by the ratepayer to determine the duration of rates remission.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

**Remission Applies to:**

All qualifying properties classified as Business for rating purposes.

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Business properties classified by Council as R3 (unsafe due to adjacent property).***

**Objective**

To provide some financial relief to those Business ratepayers most adversely affected by the earthquake. In particular, this remission is intended to provide assistance for the owners or tenants of Business properties unable to occupy their building because it has been classified by Council as R3 (unsafe due to adjacent property).

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants, whether or not the lease or rental agreement specifically requires the tenant to pay rates outgoings.

Council's adoption of a 30% rates remission reflects the rates that would normally be paid for Council services provided directly to a Business property. These are the rates for water, wastewater, land drainage, and waste collection.

All other Council services such as the road network, events and festivals, and economic development are not provided directly to a property. Because of this the rates collected to fund these services have not been remitted.

**Remission**

Properties classified as R3 following the 4 September earthquake event:

Remit 30 per cent of rates for business properties classified by Council as R3 (unsafe due to adjacent property) for three months from 1 September 2010.

Properties classified as R3 following the significant aftershock on 26 December:

Remit 30 per cent of rates for business properties classified by Council as R3 (unsafe due to adjacent property) for three months from 26 December 2010.

**Conditions and criteria**

Business properties are eligible for remission where the property has been classified by Council as R3 (unsafe due to adjacent property).

The remission is available to qualifying properties for a three month period from either 1 September or 26 December 2010.

Qualifying properties will be determined based on Council records. In some circumstances the Council will require additional information be provided by the ratepayer.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

**Remission Applies to:**

All qualifying properties classified as Business for rating purposes.

---

***Remission of rates where the property has been extremely adversely affected by the 4 September 2010 Canterbury earthquake and aftershocks – Business properties immediately adjacent to R properties where the occupant business has been significantly adversely affected.***

**Objective**

To provide some financial relief to those Business ratepayers most adversely affected by the earthquake. In particular, this remission is intended to provide assistance for the occupants of Business properties whose business has been significantly adversely affected because they are immediately adjacent to earthquake damaged properties.

While rates relief can only be provided to property owners, i.e. the ratepayer, it is Council's expectation that any relief granted to a landlord be passed on to tenants, whether or not the lease or rental agreement specifically requires the tenant to pay rates outgoings.

Council's adoption of a 30% rates remission reflects the rates that would normally be paid for Council services provided services directly to a Business property. These are the rates for water, wastewater, land drainage, and waste collection.

All other Council services such as the road network, events and festivals, and economic development are not provided directly to a property. Because of this the rates collected to fund these services have not been remitted.

**Remission**

Properties classified as R3 following the 4 September earthquake event:

Remit 30 per cent of rates for Business properties immediately adjacent to R1, R2 or R3 properties, where the occupant business has been significantly adversely affected, for three months from 1 September 2010.

Properties classified as R3 following the significant aftershock on 26 December earthquake:

Remit 30 per cent of rates for Business properties immediately adjacent to R1, R2 or R3 properties, where the occupant business has been significantly adversely affected, for three months from 26 December 2010.

**Conditions and criteria**

Business properties are eligible for remission where:

- the property is immediately adjacent to a property that has been classified by Council as R1 (significant damage repairs strengthening possible), R2 (severe damage demolition likely), or R3 (unsafe due to adjacent property), and
- the occupant business has been extremely adversely affected by its proximity to the damaged building.

The remission is available to qualifying properties for a three month period from either 1 September or 26 December 2010.

All applications for remission must be supported by documentation from the applicant showing that business revenues and/or profitability has been extremely adversely affected by proximity to the damaged building. For example, because reduced pedestrian and vehicle traffic resulting from the location of safety cordons has directly impacted sales volumes.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

**Remission Applies to:**

All qualifying properties classified as Business for rating purposes.

---