

Logan City Council

Rate Exemption and Concession Procedure

Logan City Council
2020

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1 Purpose

The purpose of this procedure is to outline the requirements for a rate exemption or concession under Council's *General Rates and Separate Charges Exemptions* policy (exemption policy) and *General Rates and Separate Charges Concessions* policy (concessions policy). It includes specific details regarding each type of exemption and concession, the annual review process and the application process which is to be followed.

2 Background Information

- (a) The exemptions and concessions apply to general rates and separate charges (collectively rates) only and do not apply to other rate types. General rates and separate charges are of a nature described in Council's Revenue Statement.
- (b) All exemptions and concessions will be subject to the provisions of the *Local Government Act 2009* (LGA) and the *Local Government Regulation 2012* (LGR) (collectively "the legislation").
- (c) For rate exemptions and concessions purposes, land will be classified according to how it is being used.
- (d) Ratepayers will need to provide documents and/or other evidence to Council, such as membership or registration data, to facilitate the confirmation process.
- (e) Council will undertake steps to confirm that the land is owned or used in a manner required by the legislation and as specified in Council's exemption and concessions policies.
- (f) Exemptions and concessions will not be provided until Council has completed the confirmation process and is satisfied that the land qualifies for exemption or concession.
- (g) Exemptions and concessions will be subject to regular (at least annual) review and ratepayers will be requested, in writing, to confirm and/or to provide an update on the property. Failure to respond may result in the exemption or concession being cancelled.
- (h) Where land is found to no longer satisfy the rates exemption or concession criteria, the exemption will be removed from the date that the land no longer satisfies the exemption criteria. Council will investigate the circumstances and may levy interest and remove discounts for the non-qualifying period in a manner specified in the Council's Revenue Statement.
- (i) A ratepayer is responsible for informing Council that a property no longer qualifies for an exemption or concession from rates under the criteria provided by the Council. An exemption or concession from rates will be removed from the date the property no longer qualifies for the exemption or concession and interest may be levied on unpaid general rates and separate charges for the relevant period at the amounts and on the bases specified in Council's Revenue Statement.
- (j) All exempt properties will be allocated a non-rate code in Council's property system.
- (k) All properties with a concession will be allocated a rebate code in Council's property system.

3 Types of Exemptions & Concessions

3.1 Specified Exemptions

- (a) Specified exemptions are those specified in the legislation (LGA s93(j)(ii) & LGR s73). The provisions of the legislation must be applied.
- (b) Specified exemptions are effective from the date the land satisfies the exemption criteria until the land no longer satisfies the exemption criteria listed in the legislation.

- (c) Council will notify landowners and/or other beneficial parties (collectively "ratepayers") where the land seems to warrant a specified exemption and will investigate notifications provided by ratepayers.
- (d) Exemption status will be confirmed on initial notification either by Council officers or by ratepayers and reaffirmed at least once per annum by reference to the relevant legislation, the land title deed, and other evidentiary criteria.
- (e) Specified exemptions do not require Council resolution as they are prescribed by the legislation. Rates officers and the Finance Manager need only confirm that the property is eligible for the exemption.
- (f) The relevant officer will ensure that the property satisfies the exemption criteria as specified in the legislation before making the approval request.

3.2 Discretionary Exemptions

- (a) Discretionary exemptions are those exemptions that are subject to Council resolution prior to implementation (LGA s93 (i)).
- (b) Council will consider whether to provide discretionary rates exemptions through resolution under the conditions specified in the legislation.
- (c) Council will consider resolving to exempt from rates land primarily used for showgrounds or horseracing or land used for charitable purposes.
- (d) An exemption from rating subject to a resolution of the Council will to be granted from the beginning of a financial year or beginning of a rating quarter if deemed appropriate by Council and subject to Council's annual review process.
- (e) Discretionary rate exemptions will not be back-dated unless approved by the Council due to extenuating circumstances which prevented the party from applying for an exemption at an earlier date.
- (f) A use of land is not for a charitable purpose if any profit from the purpose is not retained and applied for that purpose.
- (g) A property will be considered for a discretionary rate exemption on the grounds of being used for a charitable purpose if it is used for at least one of the following purposes:
 - (i) Formal Education
 - (ii) Free support for the homeless and poor
 - (iii) Free counselling for child sexual assault
 - (iv) Crisis accommodation (homeless & domestic violence)
 - (v) Short term accommodation through respite care
 - (vi) Assistance to those experiencing domestic violence
 - (vii) Another property use deemed acceptable by Council
- (h) Each application must also demonstrate that the use of the property is beneficial to the Logan community. The following factors will be considered when determining whether the use of a property is beneficial to the Logan community.
 - (i) The property use must directly benefit a substantial number of individuals or groups within the Logan community.
 - (ii) The property use cannot be restrictive and be open to everyone who could benefit from the services provided.

- (iii) The use of the property cannot have a significant and obvious negative impact on the environment. This must be viewed narrowly when assessing.
- (iv) The services provided should primarily be focused on what is in the best interests to the community.
- (v) Other factors that may affect the benefits available to the Logan community which are revealed through the application and investigation process.

3.3 Discretionary Rate Concession

- (a) Discretionary Concessions will be considered whenever a rate exemption has been declined in accordance with the criteria outlined below and in accordance with the legislation (LGR s120 (1)(b) & (1)(e)).
- (b) Rate concessions are to commence at the beginning of the rating quarter following the applicant providing sufficient information and documentation to meet the evidentiary requirements. Discretionary rate concessions will not be back-dated unless there are extenuating circumstances which prevented the party from applying for an exemption at an earlier date.
- (c) The Local Government Regulation 2012 allows Council to determine the type of concession if the relevant criteria has been met. The type of concession may only be of the following types:
 - (i) A rebate of all or part of the rates or charges
 - (ii) An agreement to defer payment of the rates or charges
 - (iii) An agreement to accept a transfer of unencumbered land in full or part payment of the rates or charges.
- (d) In accordance with point 3(i), Council will provide a 20% rebate on general rates and separate charges for qualifying properties up to a maximum of \$500 per quarter and subject to the provisions of this policy. Point 3(ii) and 3(iii) will not form part of this resolution and should not be considered.
- (e) In cases of financial hardship, ratepayers should refer to Council's Recovery of Rates and Other Rates Related Charges from Customers Experiencing Financial Hardship policy.
- (f) Council will consider to provide a rates concession under the following circumstances in accordance with the legislation:
 - (i) the land is owned by an entity whose objects do not include making a profit; or
 - (ii) the land is owned by an entity that provides assistance for arts or cultural development.
- (g) In addition, to be considered for a discretionary rate concession the property must be used for at least one of the following purposes:
 - (i) Providing programs for social and emotional wellbeing
 - (ii) Providing low cost essential items to those in need
 - (iii) Administration of a not for profit or charitable organisation, where the property is not used for any other purpose
 - (iv) Assistance for those recovering from drug and alcohol addiction
 - (v) Properties hired out to different community groups (e.g. community halls)
 - (vi) Aged care centre, where the property is not used for any other purpose
 - (vii) Free support to veterans and the general community

- (viii) Historical recreation facilities (facilities with substantial historical significance)
- (ix) Another property use deemed acceptable by Council.
- (h) A concession can also be considered when it will encourage land that is of a cultural, environmental, historic, heritage or scientific significance to the local government area to be preserved, restored or maintained.
- (i) Each application must also demonstrate that the use of the property is beneficial to the Logan community. The following factors will be considered when determining whether the use of a property is beneficial to the Logan community.
 - (i) The property use must directly benefit a substantial number of individuals or groups within the Logan community.
 - (ii) The property use cannot be restrictive and be open to everyone who could benefit from the services provided.
 - (iii) The use of the property cannot have a significant and obvious negative impact on the environment. This must be viewed narrowly when assessing.
 - (iv) The services provided should primarily be focused on what is in the best interests to the community.
 - (v) Other factors that may affect the benefits available to the Logan community which are revealed through the application and investigation process.
- (j) A concession will not be provided for a property where the land is used for a purpose that generates a profit or surplus unless the profit or surplus is retained and applied for the purpose undertaken on the property.
- (k) Concessional applications must sufficiently demonstrate and provide evidence of the manner in which concessional circumstances listed in this policy have been met, for example:
 - (i) Where land is owned by an entity whose objects do not include making a profit; registration with the Australian Charities and Not for Profit Commission (ACNC) and confirmation and proof from the owner of how revenue is used.
 - (ii) Where the land is owned by an entity that provides assistance for arts or cultural development; evidence of the entity's objectives and business registration status.
 - (iii) Where the concession will encourage land that is of a cultural, environmental, historic, heritage, or scientific significance to the local government area to be preserved, restored or maintained; evidence of registration as a Queensland heritage site or similar.

4 Annual Review Process

- (a) The Revenue & Property Coordinator will set an annual timetable for this purpose.
- (b) The annual confirmation process will require confirmation that the initial exemption or concession criteria, either per the legislation or by Council resolution, continue to apply.
- (c) Confirmation processes require that a request is sent to the ratepayer or an internal investigation is undertaken to confirm that the land continues to qualify for exemption.
- (d) Responsible officers will:
 - (i) summarise their findings; and
 - (ii) seek approval from the Finance Manager to continue to apply or terminate the exemption; and

- (iii) send a letter to the ratepayer confirming the results of the review using the standard template formats in the rate exemption process document.
- (e) Where a property fails to meet the relevant exemption or concession criteria, the Finance Manager will be informed so that suitable actions may be taken to remove the exemption. This may:
 - (i) require a report for Council resolution in the case of discretionary exemptions; or
 - (ii) issue a letter to the owner(s) of the property requesting that the owner provide relevant specifics to support a continued exemption; or
 - (iii) approval by the Finance Manager to terminate the exemption.
- (f) Should the owner not provide the relevant specifics to support a continued exemption within the required timeframe, Council will issue a further letter to the owner advising that the exemption has been cancelled from the date of the review.
- (g) Should the ratepayer dispute Council's decision; the ratepayer will be requested to inform Council of the reasons for the dispute. Council will then determine whether to reinstate the exemption and the date of the reinstatement:
 - (i) For specified exemptions, the reinstatement will take place from the date that the property met the legislated requirements.
 - (ii) For discretionary exemptions and concessions, Council will determine the reinstatement date.
- (h) All correspondence and internal documents, including approval, will be filed against the property record.

5 Application Process

- (a) Ratepayers must submit exemption and concession requests in writing to Council.
- (b) All requests must:
 - (i) Make reference to the legislation.
 - (ii) Be accompanied by original (or Justice of the Peace certified copies of) documents supporting the application.
 - (iii) On the letterhead for the relevant organisation or via email from an individual with the relevant authorisation to act on behalf of the entity.
- (c) The letter or email must include the following information:
 - (i) Contact name and number
 - (ii) Address of property
 - (iii) Assessment number
 - (iv) Identification of the exemption or concession category and type of organisation
 - (v) Reason why the applicant believes that the property qualifies for an exemption or concession.
- (d) If successful the Council will inform the ratepayer, in writing, of the criteria used in the Council decision to exempt the land from rating or grant a concession.
- (e) If unsuccessful the Council will inform the ratepayer, in writing, of the reasons why the exemption or concession was not granted.

6 Definitions

Definitions for terms used within the procedure can be found in the *General Rates and Separate Charges Exemptions policy* (DM: 12394066) and *General Rates and Separate Charges Concessions policy* (DM: 13793679).