

# TSP Finance LP IFF Levy Remission Policy

Pursuant to section 76 of the Infrastructure Funding and Financing Act 2020 (**Act**) and clause 9.1 of the IFF Funding and Administration Agreement between TSP Finance LP (**TSP Finance**) and Tauranga City Council (**Council**), the following policies (the **IFF Levy Remission Policy**) will apply to any levy authorised under the Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy) Order 2022 (**Levy Order**) and any associated penalties (**IFF Levy**).

This IFF Levy Remission Policy is effective from 1 July 2024 and will only be altered by agreement between TSP Finance and Council. This policy can be reviewed by TSP Finance and Council at any time.

This IFF Levy Remission Policy refers to, and adopts, Council's rates remission policy as at 20 June 2022 and will continue in place with reference to any future or amended rates remission policy, subject to the provisions set out below (**Rates Remission Policy**). If there is any inconsistency between this IFF Levy Remission Policy and the Rates Remission Policy, this IFF Levy Remission Policy will prevail.

## 1. ADOPTION OF RATES REMISSION POLICY

- a. This document comprises TSP Finance's IFF Levy Remission Policy.
- b. Subject to this section and section 2 below, TSP Finance hereby adopts the Rates Remission Policy to apply as the IFF Levy Remission Policy. If the Rates Remission Policy is varied by Council, this IFF Levy Remission Policy will be varied in an equivalent way, subject always to the specific overlays set out in section 2.
- c. This IFF Levy Remission Policy is TSP Finance's policy and is not a Council policy. Council's role is only in the operational implementation of the IFF Levy Remission Policy. The deviations from the Rates Remission Policy are for the benefit of, and have been requested by, TSP Finance.
- d. For the purposes of this IFF Levy Remission Policy, references in the Rates Remission Policy:
  - i. to Council will be construed as references to TSP Finance; and
  - ii. to rates will be construed as references to IFF Levy.
- e. In addition:

- i. **Intended Annual Levy** has the meaning given to the term 'TSP Intended Annual Levy' in the Levy Order;
- ii. **Levy Year** means any 12 month period from 1 July until 30 June, with the first Levy Year commencing on 1 July 2024 and the last Levy Year concluding on 30 June 2054, subject to adjustment under section 52 of the Act; and
- iii. **Protected Māori Land** has the meaning given to that term in the Act.

## 2. **SPECIFIC OVERLAYS**

TSP Finance's adoption of the Rates Remission Policy to apply as the IFF Levy Remission Policy is subject to each of the paragraphs below:

- a. Nothing in this IFF Levy Remission Policy or the Rates Remission Policy authorises Council or any Council officer or representative of any nature to:
  - i. make a decision or exercise a discretion in relation to an IFF Levy in a way that is inconsistent with this IFF Levy Remission Policy; or
  - ii. undertake or exercise any role or discretion explicitly reserved or granted to TSP Finance under this IFF Levy Remission Policy.

TSP Finance may authorise any person or party in writing (including but not limited to Council and CIP Services Limited) to undertake any of its roles under this IFF Levy Remission Policy.

- b. Other than as set out in paragraph 2(c) below, IFF Levy may only be remitted where the equivalent portion of Rates otherwise payable by a Ratepayer is also remitted.
- c. Under the Levy Order, the IFF Levy applies to the district in which the Council is entitled to charge general rates, but excludes Protected Māori Land in that district. To ensure that no Protected Māori Land is levied, properties that may fall within the meaning of Protected Māori Land but for which the Council does not hold sufficient information to finally determine whether or not that land is Protected Māori Land will receive 100% remission of the IFF Levy, such remission to be applied by the Council, for each Levy Year, prior to the completion of the annual levy-setting process for the IFF Levy in respect of that Levy Year. If IFF Levy is incorrectly invoiced to any Protected Māori Land by the Council, then the Council will undertake a reassessment/correction, no later than the commencement of the following Levy Year, on the terms agreed between Council and TSP Finance.
- d. Any penalty component of the IFF Levy (**Levy Penalties**) can only be remitted where all of the following conditions are met:
  - i. the Levy Penalties relate to the then current Levy Year;

- ii. the relevant Levy payer has made all payments under a payment plan (consistent with the collection methodology agreed between Council and TSP Finance);
  - iii. TSP Finance has not been involved in undertaking recovery action against the relevant Levy payer; and
  - iv. the aggregate of all Levy Penalties remitted in any Levy Year will not exceed 0.5% of the Intended Annual Levy for that Levy Year (disregarding Levy Penalties remitted within 25 days after the due date, to which the cap above will not apply) without TSP Finance's prior written approval. Council may seek TSP Finance's approval to a variation to this cap at any time and TSP Finance must act reasonably (taking into account amongst other things matters of hardship alleviation as well as any impact on TSP Finance's ability to service its debts) in considering any such request.
- e. The aggregate IFF Levy remissions in any Levy Year cannot exceed 6% of the Intended Annual Levy for that Levy Year or such other limit agreed to by TSP Finance in writing for that Levy Year. Remissions relating to Council-owned land on which the rateable value of that land is derived from the value of Council-owned utilities (potable water and/or wastewater pipes) on that land, and to potential Protected Māori Land to which a remission applies under paragraph 2(c) above, will not be included in the aggregate IFF Levy remissions for the purpose of this cap.