

RATES POSTPONEMENT POLICY

Section 102 (3)(b) of the Local Government Act 2002 states that the South Taranaki District Council may adopt a Rates Postponement Policy. Section 110 of the Local Government Act 2002 states what the Policy must contain. Section 115 of the Local Government (Rating) Act 2002 allows the South Taranaki District Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy, the ratepayer has applied in writing for a postponement and the Council is satisfied that the conditions and criteria in the Policy are met. This Policy must be reviewed every six years under Section 110(2A)(a) of the Local Government Act 2002.

Extreme financial circumstances

Objective

The objective of this part of the Policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and criteria

Only rating units used solely for residential purposes will be eligible for consideration for rates

postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the District or in another district).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Offices). The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Council will delegate authority to approve applications for rates postponement to Council Officers.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the

following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses. Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- > The death of the ratepayer(s); or
- > Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- > Until the ratepayer ceases to use the property as his/her residence; or
- > Until a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and

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financial costs and may vary from year to year. The fee that will be charged in the 2015/16 financial year is \$50.00.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500.00 of the rate account. The Policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have the first call on the proceeds of any revenue from the sale or lease of the rating unit.