

Early Payment of Rates for Subsequent Years Policy 2019

1. Relevant Legislation

- Local Government Rating Act 2002
- Local Government Act 2002

2. Definitions

Rate means any rate specified in schedule 1 of this policy.

3. Policy Objective

To assist ratepayers who want to make payment of a **Rate** (as specified in Schedule 1), in anticipation of liability for the Rate in subsequent financial years.

4. General Approach

This Policy is made under section 56 of the Local Government (Rating) Act 2002. Its effect is to provide ratepayers with the opportunity to extinguish their liability in relation to a Rate sooner than expected, and avoiding future interest charges that would otherwise be payable over time.

Council will also accept payment of other rates for subsequent financial years. However, early payment of these rates will not attract interest on the sum paid. Discounts for early payment of other rates will be considered under any policy that the Council has for discounting early payment of current year rates in the year for which the rates are paid.

5. Eligibility Criteria

A ratepayer of a rating unit liable for the Rate may, at any time before the due date for the first instalment of rates payable in that financial year, pay an amount calculated in accordance with the details in the applicable Long Term Plan or Annual Plan to clear the rating unit's liability for the Rate for all future years.

Elections by ratepayers must be in writing and addressed to the Chief Financial Officer.

The Council will credit the payment in accordance with the Policy.

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6. Policy Procedures

Decisions under this policy will be delegated to officers in accordance with the Council's delegations register.

Group	Financial Services	Contact (3rd Tier Manager)	Finance Manager
Supersedes	-		
Creation Date		Resolution Reference	
Last Review Date	21.02.19	Resolution Reference	PP19.1
Review Cycle	3 Yearly	Date	21 February 2022
Authorised by	Policy Committee	Date	21 February 2019

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Schedule 1

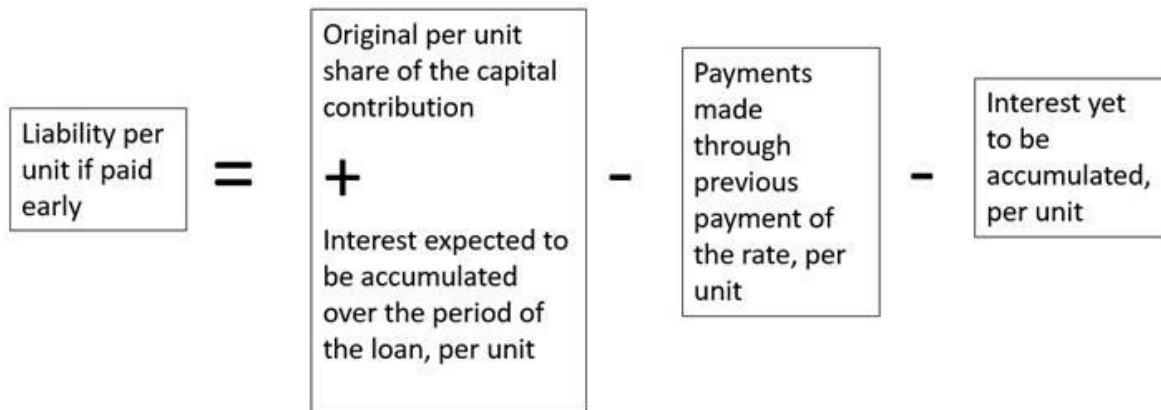
Rates eligible for early repayment, under the Early Repayment of Rates for Subsequent Years Policy are:

- Te Puna West Wastewater Capital Targeted Rate
- Ongare Point Wastewater Capital Targeted Rate
- Woodland Road Rural Water Supply Targeted Rate
- Black Road Rural Water Supply Targeted Rate

To be included in the Long Term Plan or Annual Plan (as relevant for the particular year):

Details of the how the amount to be paid under the Early Payment of Rates for Subsequent Years Policy will be calculated

1. The criteria for eligibility is set out in the Early Payment of Rates for Subsequent Years Policy 2019.
2. The sum to clear a rating unit's liability will equal the original per unit share of the capital costs for which the Council has undertaken borrowing, plus interest expected to be accumulated over the period of repayment, minus payments made through previous payment of the rate and minus the interest yet to be accumulated.



N.B. Amounts shown are GST exclusive.

3. In the financial years **[2019/20 and 2020/21]** the amount of the payment to clear a rating unit's liability will be:

	Liability per unit if paid in 2019/20 financial year (GST incl)	Liability per unit if paid in 2020/21 financial year (GST incl)
Te Puna West Wastewater Capital Targeted Rate	\$13,650	\$12,614
Ongare Point Wastewater Capital Targeted Rate	\$13,650	\$12,614
Woodland Road Rural Water Supply Targeted Rate	\$4,511	\$4,343
Black Road Rural Water Supply Targeted Rate	\$4,374	\$4,211

N.B. Amounts shown are GST exclusive.

Implementation:

Action	Date	Responsible
Letters to be sent to relevant Te Puna West and Ongare Point ratepayers advising of one off final settlement/targeted rate arrangement and 1 December payment deadline for voluntary payment of capital contribution.	By 28 September	Utilities (Tuana/Trent/Coral-Lee)
Letters to be sent to relevant Black Road and Woodland Road ratepayers advising of early payment of rates /targeted rate arrangement and 1 December payment deadline.	By 28 September	Utilities (Paul/Aaron)
Early payment of rates system established	By 28 September	Finance – Rod/Keith
Information on early payment of rates arrangement to customer services, etc.	By 28 September	Finance/utilities
Draft Policy reviewed internally and Simpson Grierson feedback received	By 28 September	Finance - Kumaren
Scoping paper to Policy Committee Workshop	18 October workshop date	Finance - Kumaren
Lumpsum payments made analysed and need for specific targeted rates reviewed	By 14 December	Finance – Rod/Keith/Brenda
Areas of benefit identified for each targeted rate, based on outstanding voluntary capital contributions	Whenever the deadline for voluntary payments expires	Finance – Rod Keith Brenda
Specific rates and payment provisions included in the draft AP	By February 2019	Finance – Rod/Keith/Brenda

Draft Policy and Statement of Proposal prepared and presented to Policy Committee	February 2019	Finance - Kumaren
Consultation alongside the AP	March 2019(?)	Finance - Kumaren
Policy adopted by Council	By June 2019	Finance - Kumaren
AP – including payment provisions – adopted	By June 2019	Finance - Kumaren
Annual letter to affected ratepayers offering early payment of rates and deadline	July – every year	Finance – Ian/Brenda
Review of the Policy	Alongside the Annual Plan	Finance - Kumaren