

Rates postponement for financial hardship

Relevant Legislation

Local Government (Rating) Act 2002, section 87
Local Government Act 2002, sections 102, 110

Objective

To provide relief to ratepayers experiencing hardship from extreme financial circumstances affecting their ability to pay rates.

General Approach

Only rating units defined as residential and used solely for residential purposes (as defined by Council) will be eligible for consideration of rates postponement under the conditions and criteria of this policy.

Eligibility criteria

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

Application can only be made by the person entered on Council's rating information database as the "ratepayer" or their authorised agent.

The applicant must provide a complete application, including:

- Information on the ratepayers age, any physical or mental disability, injury, illness and family circumstances;
- Confirmation that the ratepayer is the current owner of the rating unit (which is the subject of the application), and that they have owned it for not less than two years;
- Confirmation that the ratepayer uses the rating unit as their residence;
- Confirmation that the ratepayer does not own any other rating units or investment properties (whether in the Western Bay of Plenty District or in another district); and
- Verification from the ratepayer's bank as to the level of equity the ratepayer holds in the property.

Council may consider further information to support the ratepayer's case for postponement, including:

- The likely period before the ratepayer's position could be expected to improve;
- The potential for the ratepayer's situation to deteriorate further;
- The views of any other party with a registered interest in the rating unit;
- Whether there are previous arrears owing on the property;
- Whether the applicant has sought and/or obtained financial assistance through any other means;
- Whether the ratepayer is unable to meet minimum living expenses;
- Whether the ratepayer is unable to meet mortgage repayments on the property, resulting in their mortgage provider enforcing the mortgage on their property;
- Whether the ratepayer is paying for medical treatment if the applicant or dependent family member:
 - Has an injury;

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- Requires palliative care; or
- Is suffering from a serious illness.

At its discretion, Council may request a report from a budget advisor, in order to gain independent assessment about the ratepayer's financial situation.

Conditions of postponement

The applicant must have sufficient equity in the property to protect Council's projected rating interest in that property. The postponement of rates (when combined with any other money owing on the property) must not exceed 80 percent of the rateable value of the property.

Any postponed rates will be postponed until:

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

Consideration will also be given to postponing additional rate penalties for a period of up to 5 years to enable the ratepayer to clear rating debt, at the discretion of Council.

Council may 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 Council's administrative and financial costs and may vary from year to year.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made, although 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 may be registered as a statutory land charge on the rating unit title. This means Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Policy procedures

- Applications must be on the required form.
- Council will consider, on a case by case basis, all applications received that meet the eligibility criteria of this policy.

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- Before approving an application 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.
- Decisions under this policy will be delegated to officers in accordance with Council's delegations register.

Group	Financial Services		Contact (3rd Tier Manager)	Finance Services Team Leader
Supersedes	Confirmed with adoption of the Annual Plan 2021-2022			
Creation Date		Resolution Reference		
Last Review Date	June 2016	Resolution Reference		
Review Cycle	LGA s109 requirement to review at least once every 6 years		Date	14 June 2028
Authorised by	Council		Date	14 June 2022