



**KAIKOURA
DISTRICT COUNCIL**

Rates Postponement Policy

Introduction

This policy is prepared under sections 102 and 110 of the Local Government Act 2002.

Objective

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 (as defined by Council) 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 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.
- 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.
- 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 Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and 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.
- Before approving an application Council must be satisfied that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is properly entitled to receive to assist with the payment of rates.
- Where 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(s) ceases to use the property as his/her residence, or
 - until a date specified by the Council.
- Council, as authorised by Section 88 of the Local Government (Rating) Act 2002, 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 Council's administrative and financial costs and may vary from year to year. The fee that will be charged in the 2006/2007 financial year is \$50.
- 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 will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.
- In all instances, applications for rates postponement under this policy will be treated as confidential.
- Council staff may assist applicants in completing their application if necessary.

Delegations

Council may delegate authority to approve applications for rates postponement to the Chief Executive Officer.

Postponement of Rates for Maori Freehold Land

Council does not provide a policy specifically for the postponement of rates for Maori freehold land. Any application for postponement of rates for Maori freehold land would be considered under the general conditions contained within this policy.

However, Council does provide for remission of rates for Maori freehold land under certain circumstances within its Rates Remission Policy.