



COUNCIL POLICY

POLICY TITLE: RATES POSTPONEMENT

Minute Ref: M18/56

Date of Adoption 28 June 2018

1. POLICY OBJECTIVES

- To provide rating relief to ratepayers experiencing financial hardship
- To provide rating relief to ratepayers whose farmland has increased in value due to the potential residential, commercial or other non-rural use.

2. PRINCIPLES

The overarching principles identified in the Revenue and Financing Policy apply.

3. DEFINITIONS

Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock.

Ratepayer means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.

Rate postponement means the payment of rates is not remitted but delayed until a certain time, or until certain events occur.

4. POLICY STATEMENT

4.1 General

Postponements will be considered under this policy on receipt of a postponement application.

When considering any postponement Council will take into account the circumstances at the time payment was due.

Postponed rates will be registered as a statutory land charge on the rating unit title.

A postponement fee will be added to the postponed rates reflecting the administrative and financial costs of postponement.

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- State the amount of postponement; and
- State that a postponement fee will be charged; and
- State the timeframe or conditions upon which the postponed rates will become due and payable; and
- Acknowledge that the postponed rates will be registered as a charge against the land.
- Be signed by both parties.

4.2 Financial Hardship

Ratepayers with at least 25% equity in their property, who are unable to access financial assistance from private sector financial institutions, and have applied for a rates rebate, may be able to postpone part of the rates. The ratepayer will be required to pay the first \$1,000 of the rates.

Ratepayers applying for a rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstance.

Any postponed rates will be postponed until the:

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

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

4.3 Farmland

Council will postpone rates on farmland where the value of the rateable unit is influenced by the potential residential, commercial or other non-rural use.

The level of postponement granted will be based on the difference between the rateable value of the rateable unit and the valuation of a comparable farmland rating unit elsewhere in the district or surrounding district, as determined by Council's valuation service provider. Council's valuation service provider's decision is final.

If the rating unit is subdivided, changes use, or sold all rates postponed and unpaid for six years or less will become payable on the issue of a resource or building consent that is not principally for agriculture, horticulture or pastoral purposes, or the issue of a separate Certificate of Title for the sub-divided land.

5. RELEVANT DELEGATIONS

The following officers, and all officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies (and therefore rates are postponed), including the exercise of any Council discretion provided for in the policy, and to sign on behalf of Council the postponement agreements.

Team Leader: Revenue

Any officer who performs or exercises the same or substantially similar role or function as to the officer above, whatever the name or his or her position.

6. REFERENCES AND RELEVANT LEGISLATION

Local Government (Rating) Act 2002 (in particular section 87)

Local Government Act 2002