



## RATES POSTPONEMENT POLICY

<b>Reference Number:</b>	A804688
<b>Authorised by:</b> Invercargill City Council	<b>Effective Date:</b> 29 October 2014 <b>Supersedes:</b> 2009 Rates Postponement Policy
<b>Policy Owner:</b>	Invercargill City Council
<b>Purpose:</b> This defines the statement of intent of the policy.	The objective of this policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

## CONDITIONS AND CRITERIA

1. Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.
2. 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 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 Council offices, or from the Bluff Service Centre).

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. Council will delegate authority to approve applications for rates postponement to particular 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 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 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 of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by Council.

Each ratepayer who has successfully applied for postponement will be the subject of review every three years.

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 Council's administrative costs.

Council will charge interest on the total amount postponed. The interest will be assessed annually and calculated using the average interest rate incurred by Council on its overdraft.

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.

<b>Monitoring &amp; Auditing:</b> This section describes who and how the application of the policy will be monitored.	The Audit and Risk Committee will monitor the application of this Policy via reports from Executive staff.
<b>Revision History:</b>	
<b>Effective Date:</b>	29 October 2014.
<b>Review Period:</b>	This Policy will be reviewed every six (6) years unless earlier review is required due to legislative changes, or is warranted by another reason.
<b>Associated Documents / References:</b>	Rates Postponement Application Form (A355596)