

# Rates Postponement Policy

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

Postponement of rates is available for the following:

- 1) Financial hardship
- 2) COVID-19
- 3) Miscellaneous postponement

## Definitions

*Rates* means a general rate, a targeted rate or a uniform annual general charge set in accordance with the Local Government (Rating) Act 2002 and includes a penalty added to a rate.

*Postponement* means a delay in the payment of rates.

*Postponed Rates* means rates for which the requirement to pay is delayed.

## Delegated responsibility

The Council may delegate authority to approve applications for rates postponement under this policy to particular officers.

## 1) Financial hardship

### Objective

The objective of this part of the policy is to assist personal ratepayers experiencing financial circumstances that 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 financial hardship.

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 the rating unit that is the subject of the application. The person entered on the 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 (copies can be obtained from the Council offices).

The 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, Conditions and criteria.

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

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Before approving an application, the 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 the 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
- 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
- a date specified by the Council.

The 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 the Council's administrative and financial costs and may vary from year to year. The fee that will be charged is \$50 plus interest at the weighted average interest rate applied to Council debt in the Annual Plan adopted for each year that rates are postponed.

Even if rates are postponed, as a general rule the ratepayer will be required to pay 50% of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although the 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 the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

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## 2) COVID-19

### Objective

The objective of this part of the policy is to assist ratepayers experiencing financial difficulties affecting their ability to pay rates as a result of the COVID-19 pandemic.

### Conditions and criteria

Any ratepayer may apply for rates postponement for COVID-19 provided they meet the following criteria:

- For businesses (including farming):
  - A significant (approximately 30% or more) reduction in revenue when compared to a similar time period (at least one month) in the 2019/20 financial year as result of the COVID-19 pandemic, and
  - That all necessary steps have been taken to claim central government benefits or allowances that the ratepayer is entitled to, including the government's interest free loan scheme, and
  - That an agreed direct debit payment plan is in place to ensure rates are fully paid by the date the rates have been postponed to.
- For personal ratepayers:
  - Unemployment as a result of the COVID-19 pandemic, or
  - Normal household income from all sources has significantly reduced (approximately 30% or more) when compared to a similar time period (at least one month) in the 2019/20 financial year as result of the COVID-19 pandemic, and

- That all necessary steps have been taken to claim central government benefits or allowances that the ratepayer is entitled to, and
- That an agreed direct debit payment plan is in place to ensure rates are fully paid by the date the rates have been postponed to.

The ratepayer will be required to provide evidence, to the satisfaction of the Council, that they meet the criteria described above. Examples include:

- Letter from accountant.
- Letter from employer, or in the case of unemployment termination/redundancy letter.
- Payslips.

Only the person entered on the Rating Information Database (RID) as the ratepayer, or their authorised agent, may make an application for rates remission for a property.

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained online at [www.whanganui.govt.nz](http://www.whanganui.govt.nz) or from the Council offices).

The Council will consider, on a case-by-case basis, all applications received against the conditions and criteria described in this section.

Any postponed rates will be postponed until:

- a date specified by the Council; or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit as stated on the Rating Information Database (RID).

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The 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 the Council's administrative and financial costs.

The policy will apply from the beginning of the rating year in which the application is made although the 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.

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## 3) Miscellaneous postponement

### Objective

The policy enables us to postpone property rates in circumstances that are not specifically covered by the other criteria set out in this policy, but where we consider it appropriate to do so.

### Conditions and criteria

We may postpone rates on a rating unit where we consider it equitable to do so because:

- There are special circumstances in relation to the rating unit, or the amount of rates (or a particular rate) assessed for the rating unit
- The circumstances of the rating unit or the ratepayer are comparable to those where a postponement may be granted under the council's other property rates postponement policies, but are not actually covered by any of those policies
- There are exceptional circumstances where we believe it is equitable to postpone the property rates
- In the case of a significant event that causes financial hardship, for example in the case of a natural disaster, calamity or pandemic.

Applications must be made in writing and should include:

- Detailed information explaining how the property meets the conditions and criteria under this policy
- A daytime contact phone number so we can contact you if we need more information
- All relevant contractual arrangements and financial documents

Council has final discretion to decide whether to grant a property rates postponement under the policy.

Any postponed rates will be postponed until:

- a date specified by the Council; or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit as stated on the Rating Information Database (RID).

The 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 the Council's administrative and financial costs.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made, depending on the circumstances.