

KAPITI COAST DISTRICT COUNCIL RATES POSTPONEMENT POLICY: CRITERIA AND FEES

Criteria

Rates postponement is available only on properties that are defined as residential and occupied by the ratepayer applicant(s) as their sole or principal place of residence. Holiday homes are not eligible.

All rates are available for postponement except for targeted rates for water supplied by volume (water-by-meter rates) and lump-sum options which are rates paid in advance.

Current and all future rates may be postponed indefinitely if at least if for one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. In exceptional cases, postponement may be available for ratepayers who are less than 65 years of age to a date not more than 15 years from 30 June in the rating year in which application is made.

The council collects regional rates on behalf of the Greater Wellington Regional Council. The regional council does not offer rates postponement. Kapiti Coast ratepayers whose rates are postponed will need to continue paying their regional Council rates which will continue to be collected by the Kapiti Coast District Council.

Property that is Maori freehold land is not eligible for postponement as councils do not have adequate rights to recover postponed or overdue rates on Maori freehold land.

Postponement is also available to applicant(s) who lived in homes owned by family trusts, or units in retirement villages held under licences to occupy provided that the council can be satisfied that repayment of postponed rates is adequately secured.

Rates may be postponed until:

- (a) The death of the ratepayer(s) (the council will now up to 12 months for payment so there is ample time to settle estate or trust affairs); or
- (b) The ratepayer(s) ceases to be the owner of the rating unit; or
- (c) The rating unit ceases to be the principal place of residence of the ratepayer(s) – however if the ratepayer(s) moves out of the home into residential care the postponement will remain in place; or
- (d) In the case of a ratepayer(s) under the age of 65 at the time of application, a date specified by council.

The council will offer full postponement unless testing the expected outcome through the council's financial model suggests that equity on expected repayment (the death of the applicant or the survivor of joint applicants) would be less than 20%. If that is the case, then postponement entitlement will be based on the maximum proportion projected to lead a minimum of 20% equity available at the end of the postponement period.

The property must be insured for its full value and evidence of this produced annually (this applies both to properties which are currently insured and to properties which are currently uninsured). For uninsured properties, the council is developing a blanket insurance policy. Once that policy is available (the date is still uncertain), owners of uninsured properties will be offered the option of being insured through that policy, with the premium added to postponed rates, or arranging their own separate insurance.

Postponed rates and any part thereof may be paid at any time. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the council's policy.

If accrued rates and charges reach 80% of the value of the property, the council will not postpone any further rates but instead require that they are paid as they fall due. Accrued rates and charges will remain payable only on an event of repayment (eg death, sale) and will continue to accrue interest and other annual charges.

If, when the property is ultimately sold, there is a shortfall, that will be carried by the council – there will be no recourse back to the property owner or any trust or estate.

Fees and Charges

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| Interest Rate: | 7.0% per annum on the outstanding balance. This figure is based on the council's cost of borrowing and may vary if that cost varies |
| Application Fee: | \$100 per applicant which includes \$50 as the cost of registering a statutory land charge |
| Annual Administration Fee: | Nil |
| Reserve Fund: | 0.25% per annum on the outstanding balance |
| Scheme Administration Fee: | 1% per annum on the outstanding balance |
| Counselling Fees: | \$300 |

All of the above fees and charges will be added to the postponed rates.

Legal Fees – if an applicant wishes to consult a lawyer, the applicant will need to meet the costs of doing so.