

# MARLBOROUGH DISTRICT COUNCIL RATES POSTPONEMENT POLICY: CRITERIA AND FEES

## Criteria

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

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 available to applicant(s) who are the legal owners of their property or who have consent from all parties of a family trust. Units and retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner are only eligible for postponement if the amount of the rates for the unit/dwelling that is lived in is clearly identified for rating purposes (i.e. separately rated), and that the full benefit of the postponement is passed on to the resident.

Postponement is available only for ratepayers age 65 or over. In the case of the couple, at least one applicant must be of that age.

Rates may be postponed until:

- (a) The death of the ratepayer(s) (the Council will allow up to 12 months for any resolution of estate or trust affairs required to enable repayment); 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) – this means that if the ratepayer(s) moves out of the home into residential care, technically the postponed rates become due and payable. In practice, if the council is satisfied that the principal reason for moving out is to go into care, the postponement will remain in place.

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 leave 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 all further rates 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**

Interest Rate:	Currently 7.5% 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:	\$50
Annual Administration Fee:	\$50
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.