QUEENSTOWN LAKES DISTRICT COUNCIL RATES POSTPONEMENT POLICY: CRITERIA AND FEES

Criteria

Rates postponement is available only on properties that are defined as a residential or country dwelling, occupied permanently by the ratepayer applicant (s) and used for personal residential purposes only. This includes properties owned by family trusts. Units in retirement villages will also be eligible if the council is satisfied that it can adequately secure any postponed rates.

The application must be made prior to the 31st of October to take effect for the current rating year. Applications made after that date will take effect from the beginning of the next rating year.

To be eligible, applicants must:

- Be aged 65 years or older, if an individual, or in the case of a couple, at least one be aged 65 years or older.
- Be a New Zealand citizen.
- Own no other property.

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.

Rates may be postponed until:

(a) The death of the ratepayer(s) (Council will allow a reasonable period of time to settle any estate or trust affairs in order to enable repayment); or
(b) The ratepayer(s) ceases to be the owner of the rating unit (if the property is sold to purchase another within the Council's district, it will consider transferring the outstanding balance to the new property); or
(c) Until the ratepayer(s) ceases to use the property as his/her/their residence. However if the ratepayer(s) moves out of the home into residential 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 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

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.