

ROTORUA DISTRICT COUNCIL RATES POSTPONEMENT POLICY: CRITERIA AND FEES

Criteria

Rates postponement is available only on properties that are defined as residential and used by the ratepayer for personal residential purposes (whether as a principal residence or as a holiday home). 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.

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.

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.

Current and all future rates may be postponed indefinitely, or until the sale of the property, if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. Where the ratepayer is younger than 65, current and all future rates may be postponed to a date not more than 15 years from June 30th in the rating year in which the application was made.

Rates may be postponed until:

- (a) The death of the ratepayer(s) or named individual or couple (Council will allow up to 12 months for payment so that there is ample time to settle the estate or in the case of a trust owned property to make arrangements for repayment); or
- (b) The ratepayer(s) or named individual or couple ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, Council will consider transferring the outstanding balance, provided it is satisfied that there is adequate security in the new property for eventual payment); or
- (c) If the ratepayer(s) or named individual or couple continue to own the rating unit, but are placed in care, Council will consider them to still be occupying the residence for the purpose of determining when the postponement ceases and rates are to be paid in full. ; 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 actuarial 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 kept insured to its full value and evidence of this produced annually.

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:	Approximately 6.8% per annum on the outstanding balance. This figure is based on the council's treasury policy cost of borrowing and may vary if that cost varies. Interest will be charged half yearly, calculated on Councils marginal borrowing rate 6 monthly on all amounts outstanding.
Application Fee:	\$100 per applicant which includes \$50 as the cost of registering a statutory land charge
Annual Administration Fee:	\$50 per annum.
Reserve Fund:	0.25% per annum on the outstanding balance
Scheme Administration Fee:	1% per annum on the outstanding balance
Counselling Fees:	\$300
Property Insurance:	A ratepayer must submit a current insurance certificate annually. For ratepayers who are uninsured, the rates postponement consortium is seeking to arrange a blanket policy which all councils can offer, with the premium added to postponed rates if that is what the ratepayer wishes. The date of introduction of the blanket policy is still uncertain.

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.