

SOUTH WAIRARAPA 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. 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. Holiday homes are not eligible.

All South Wairarapa District Council rates are eligible for postponement except for lump-sum options which are rates paid in advance. South Wairarapa charges some ratepayers for water consumed above an annual allocation. This charge does not form part of rates and so is not postponable.

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

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.

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.

Rates may be postponed until:

- (a) The death of the ratepayer(s) (the council will allow up to 12 months for payment so that there is ample time to settle estate or trust affairs); or
- (b) The ratepayer(s) 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, it will consider transferring the outstanding balance to facilitate purchase provided it is satisfied that there is adequate security for eventual repayment. If the ratepayer or named individual or couple are placed in residential care, Council will consider them still to be occupying the residence for the purpose of determining when postponement ceases.

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 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:	7.11% 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.