

THAMES-COROMANDEL DISTRICT COUNCIL RATES POSTPONEMENT POLICY: CRITERIA AND FEES

Rating units defined as residential and used for personal residential purposes by the applicant(s) as their principal residence are eligible. This includes properties owned by family trusts but not holiday homes. Units in retirement villages will also be eligible if the council is satisfied that it can adequately secure any postponed rates.

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.

Indefinite postponement is available when at least one applicant is aged 65 or over. Currently the Council does not offer postponement to applicants under 65 years of age.

Council must be satisfied on reasonable assumptions that the risk of any shortfall on ultimate repayment is negligible. In practice, it will test this through a financial model and, if necessary, limit the amount of postponement offered so that the balance due on the expected repayment date (the death of the (surviving) applicant) is not expected to exceed 80% of the value of the property.

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.

If insurance cannot be arranged because the property is uninsurable, only the land value can be used when calculating the maximum postponement allowable.

Postponed rates become payable on the death of the applicant or survivor or if the applicant ceases to be the owner or occupier of the rating unit. If the applicant or survivor still owns the property, but ceases to occupy it because they have been placed in residential care, the council will consider them to be still occupying the property for the purposes of the postponement policy.

Council will allow up to twelve months for payment to provide time to settle an estate or, in the case of a trust owned property, to make arrangements for repayment.

If a ratepayer, whose rates have been postponed, wishes to sell the property and purchase another property within the council's district, the council will consider transferring the outstanding balance, or as much as is needed to enable the purchase, to the new property.

Postponed rates or any part thereof may be paid at any time. Applicants may apply for postponement of a lesser amount than they are entitled to under the 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:	6.8% 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 (to cover 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 payable only if Thames-Coromandel District Council is the lead council. If Environment Waikato is the lead council, Thames-Coromandel District Council will not make any charge for counselling as that will be picked up by the Regional Council.

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.