

Council Policy

Policy Title:	Rates Postponement Policy 2024
Responsibility:	Executive Manager Finance, Strategy & Governance
First Adopted:	12 June 2012
Review Frequency:	Six Yearly
Last Reviewed:	September 2024
Next Review Due:	September 2030



1 Policy Objectives

- 1.1 To provide a measure of rating relief to assist property owners during extreme financial hardship. This Policy is to be adopted under section 102(3)b in accordance with section 110 of the Local Government Act 2002 (LGA).
- 1.2 This Policy targets the following community outcome contained in Council's Wellbeing Framework:
- (a) *Our local communities are thriving and enabled to pursue their aspirations.*
- 1.3 This Policy targets the following goal contained in Council's Wellbeing Framework:
- (a) *Council encourages initiatives that promote social connection and self-determination.*
- 1.4 This Policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. These principles include recognition that land is a taonga tuku iho of special significance to Māori, and for facilitation of the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū. Council considers that this Policy supports those principles, particularly when viewed in conjunction with Council's Revenue and Financing Policy, Council's Rating Remission Policy, Council's Remission of Rates on Māori Freehold Land Policy, and Council's Development Contributions Policy. The Council is committed to understanding and applying key Māori concepts to enhance outcomes for our communities, thereby bringing to life the principles of Te Tiriti o Waitangi, which is one of two pou, or metaphoric posts, that support Council's new Wellbeing Framework.

2 Definitions

- 2.1 **Council:** means Ruapehu District Council
- 2.2 **Extreme Financial Hardship:** A ratepayer will be considered to be in extreme financial hardship if paying their rates account will affect their ability to meet their basic living needs, for themselves, family or other dependents, as determined by Section 5 of this Policy.
- 2.3 **Postponement:** Refers to the postponement of required rate payment within a one year period, with exception to service charges.
- 2.4 **Rates:** (as defined in the Local Government Rating Act (LG(R)A), section 5)

- (a) *A general rate, a targeted rate, or a uniform annual general charge*
- (b) *Includes a penalty added to a rate*
- (c) *Does not include a lump sum contribution*

2.5 **LGA:** Local Government Act 2002

2.6 **LG(R)A:** Local Government Rating Act 2002

2.7 **Hapū** is a sub-tribe of people in Māori society, comprising of whānau who descend from a shared ancestor. Hapū hold customary and tribal rights as the people at place.

3 Principles

3.1 This Policy outlines Council's temporary rates relief for extreme financial hardship. The Policy provides for postponement on all rates except service targeted rates. All ratepayers will pay at least one set of targeted rates.

4 Background

4.1 Section 110 of the LGA and Section 87 of the LG(R)A provides for Council to postpone rates in cases of extreme financial hardship. The LG(R)A provides the necessary authority to grant relief after Council's full enquiry and on being satisfied that financial hardship exists or would be caused by non-postponement.

5 Policy Statement

5.1 INTRODUCTION

5.1.1 Rates postponement is available only on properties that are defined as residential and occupied by the ratepayer applicant(s) as their place of residence.

- (a) Holiday homes are not eligible.
- (b) Postponement is available only to applicant(s) who are the legal owners of the property. This excludes homes owned by family trusts, units and retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner.

5.1.2 The person registered as the "ratepayer" must not own any other rating units or investment properties (whether in the Ruapehu District or in another District).

5.1.3 When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including, but not limited to, the following factors: age, physical or mental disability, injury, illness and family circumstances.

5.1.4 Ratepayer equity in the property is not less than 75% of the rateable value of the property.

- 5.1.5 No property owner(s) would be eligible for rates postponement relief if the total assets held exceed:
- (a) The property to which the application for rates postponement relief relates;
 - (b) Normal household chattels;
 - (c) A car;
 - (d) Other assets of whatever nature (including cash and investments) with a total value of more than \$22,000 - (updated three yearly in line with LTP review).
- 5.1.6 As required in the LG(R)A, section 87 (1b), applications must be received by Council from the homeowner(s) (ratepayers) in writing, for processing before 1 May to be applied to rates for the following financial year. Applicants must provide supporting documentation if required by Council.
(Note: Council's financial year starts on 1 July and ends on 30 June each year. For example, to apply for rates to be postponed for the year starting 1 July, the application must be received by Council before 1 May.)
- 5.1.7 All applications will be considered on a case by case basis and must meet the criteria described above.
- 5.1.8 The ratepayer is required to make a minimum contribution towards the rates on the property, by paying service charges for Water, Solid Waste Collection and Sewerage as applicable.

5.2 CRITERIA

- 5.2.1 The postponement will continue to apply until:
- (a) The death of the ratepayer(s) (rates owed fall due within three months after grant of probate or letters of administration); 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, however, if Council is satisfied that the house remains in the ratepayer(s) name and remains empty, the postponement will remain for that financial year; or
 - (d) A date specified by Council; whichever is the sooner.
- 5.2.2 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).
- 5.2.3 Each approval for postponement is valid for a period of one year only. Ratepayers must re-apply each year as their gross income and other details may change. A new application form which includes a new voluntary declaration is required to be completed if a further year's rates postponement is required.
- 5.2.4 An agreed payment arrangement between Council and owner/ratepayer can be entered into for repayment of postponed rates.
- 5.2.5 Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under this Policy.
- 5.2.6 If accrued rates and charges reach 70% of the value of the property, Council will not postpone any further rates but instead require that current rates are paid as they fall due.

5.3 REVIEW

- 5.3.1 Ratepayers to be updated on rate postponement rates each year.
- 5.3.2 Not less than once annually every ratepayer, whose rates have been postponed under this Policy, will be provided with:
- (a) A statement showing the total annual rates currently due;
 - (b) A breakdown showing year by year the total amount of the postponed rates and interest charges.
- 5.3.3 Following the end of the financial year, a schedule of rates postponed will also be provided to Council (annually), listing all the properties for which rates postponements have been granted;
- (a) And which remain outstanding.
 - (b) When rates are no longer eligible to be postponed on the property, all postponed rates will be payable within three months.

5.4 LEGAL ADVICE

- 5.4.1 All applicants are advised to seek legal advice before postponing rates.

6 Delegations

- 6.1 The Chief Executive and Executive Manager Finance, Strategy and Governance (or equivalent) have the authority to remit rates under this Policy.

7 Related Legislation

- 7.1 Local Government Act 2002
- 7.2 Local Government (Rating) Act 2002
- 7.3 Local Government (Rating of Whenua Māori) Amendment Act 2021

8 Annotations

Date	Description
June 2012	First Adopted
July 2017	Reviewed. Threshold for total assets increased
June 2018	Reviewed and Adopted
September 2021	Reviewed/amended and adopted (changed to a six yearly review responsibility, and delegation changed updated)

June 2024	Reviewed pursuant to requirements in the Local Government (Rating of Whenua Māori) Amendment Act 2021 and in conjunction with LTP.
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