

Application for Rates Postponement

**Rates Department
Private Bag 31912
Lower Hutt 5040**

**Phone 04 570 6666
Email rates@huttcity.govt.nz
www.huttcity.govt.nz**

Rating year you are applying for _____
(ie: the rating year runs 1 July to 30 June, if you are applying for the year up to 30th June 2019, this is the 2019/2020 rating year)

Please complete the following:

Property address _____

Property account number _____

Owner/Ratepayer names _____

Postal Address *(if different from above)* _____

Phone number _____

Email address _____

Liabilities secured by the property

Property loan (mortgage) \$ _____ Other loan \$ _____

Other debt \$ _____ = **Total liabilities** \$ _____

Eligibility:

Only rating units defined as residential and used for personal residential purposes by the applicant ratepayer(s) as their sole or principal residence will be eligible for consideration of rates postponement under the following conditions and criteria:

- Any ratepayer aged 65 years or over is eligible for postponement provided that the rating unit is used by the rate payer as their sole or principal residence. This includes in the case of a Family Trust owned property, used by a named individual or couple or
- Any rate payer experiencing financial hardship due to personal circumstances such as age, physical or mental disability, injury, illness and family circumstances is eligible for postponement. Ratepayers applying under these criteria must demonstrate to Council's satisfaction that paying rates would result in financial hardship.

Only rating units defined as residential or used by a small business (as defined by the Council) will be eligible for consideration of rates postponement under the following conditions and criteria:

- The financial hardship is the direct result of an event which affects the ratepayers ability to pay rates and
- The rateable value of the property is not greater than \$1.5 million and
- The ratepayer demonstrates to Council's satisfaction that paying the rates would result in financial hardship and
- The person entered as the ratepayer (in the case of a closed company every director must sign the application form), or their authorised agent, makes the application and

- The applicant must demonstrate to Council's satisfaction that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is properly entitled to receive to assist with the payment of rates.

Criteria:

- If the property in respect of which postponement is sought is subject to a mortgage, then the applicant will be required to obtain the mortgagee's consent before the Council will agree to postpone rates.
- When a property is owned by a Family Trust, the Council must be satisfied that all people with an ownership interest in the property have agreed to be part of the scheme. The Council will require a letter from the Board of Trustees confirming that the Family Trust has the ability to postpone rates.
- Council must be satisfied, based on reasonable assumptions, that the risk of any shortfall when postponed rates, (including accumulated administration and finance costs), are ultimately paid is negligible. To best safeguard Council, the total amount of rates postponed (including accumulated administration and finance costs), when added to other amounts secured by a mortgage, may not exceed 70% of the applicant ratepayer(s) equity in the property. Equity in the property is calculated as the difference between Council's rateable value of the property (the capital value at the most recent Triennial valuation) and all other amounts secured by a property mortgage.

Mandatory declarations required to process this application:

I/We acknowledge that we have read and fully understand all conditions and criteria set out in the Council's Rates Postponement Policy.

I/We acknowledge that Hutt City Council recommends that ratepayers considering postponing their rates should first seek financial advice on postponing rates.

I/We acknowledge that Hutt City Council recommends that ratepayers considering postponing their rates should first seek legal advice on postponing rates.

I/We acknowledge that any costs incurred from budget or legal advice will be added to the postponement costs if I choose to have them paid for by Council.

I/We acknowledge that Council will add all administrative and financial costs to the postponed rates.

- Establishment \$250
- Annual management fee \$100
- Interest (average cost of borrowings of preceding financial year plus 1%) TBC

I/We acknowledge that once the postponed rates and other secured debt are equal to or exceed 70 per cent of the available equity; I/We will be required to start paying rates again.

I/We acknowledge that postponed rates will be registered as a statutory land charge on the rating unit's certificate of title.

I/We acknowledge that any postponement will apply until one of the situations listed below occurs, ie: any one of these situations will require the repayment of the postponed rates:

- (a) The rating unit is sold or transferred (other than just a change of trustees).
- (b) Until a date specified by Council, as agreed in writing and in advance between Council and the applicant ratepayer(s).

In the case of rates postponement due to an event:

(c) Until one year after the council resolves the effects of the event are no longer felt in the community. At that date, the ratepayer must make arrangements to repay outstanding rates; the Council will allow up to a maximum of 18 months to repay the outstanding rates and associated postponement costs.

In the case of rates postponement due to a ratepayer being over the age of 65

(d) Until the ratepayer(s) or nominated individual or couple cease to be the occupier(s) of the rating unit; or

(e) The death of the ratepayer(s) or the survivor of them, or nominated individual or couple where a family trust is the owner. In this case, Council will allow up to 18 months for payment so that there is sufficient time available to settle the estate or, in the case of a family trust owned property, make arrangements for repayment; or

(f) If the ratepayer(s) or nominated individual or couple continue to own the rating unit, but are placed in long term residential care, Council will consider them to still be occupying the residence for a limited period of time for the purpose of determining when postponement ceases and rates are to be paid in full. In this case, Council will allow up to 18 months for payment so that there is ample time for the property to be sold, and

(g) Until a date specified by Council, as agreed in writing and in advance between Council and either the applicant ratepayer(s) or the named individual or couple in the case of a family trust.

All Ratepayers/Trustees to sign (please attach additional signing document if more space is required)

Name: _____ Signature _____ Date _____

Name: _____ Signature _____ Date _____

Name: _____ Signature _____ Date _____

Name: _____ Signature _____ Date _____

Please ensure you include the following documents in your application:

Property Insurance Certificate.

Separate confirmation of all loans secured by the property.

Letter of support from Board of Trustees (when applicable).

Letter of support from the Mortgagee (when applicable).

Confirmation of employments status; letter from employer (redundancy or loss of hours if applicable).

Confirmation of government assistance; wage subsidy, WINZ benefit confirmation (when applicable).

Confirmation of mortgage holiday from your bank (when applicable).

Should you wish to obtain independent financial advice on postponing rates, the following organisations may provide further assistance:

Citizens Advice Bureau

Lower Hutt (04)566 6039

Petone (04)568 8877

Hutt City Budget Service

Lower Hutt (04)566 6357

The Salvation Army (04)570 0273

Please note charges may apply.

For Office Use Only:

Total liabilities \$ _____

Capital value \$ _____

Available equity \$ _____

70% of available equity \$ _____

Approval Signature _____

Name _____

Date _____

Position _____