



<b>POLICY ON SHORT TERM RATES DEFERRAL</b>		<b>ACTIVITY GROUP:</b>	<b>CORPORATE SERVICES</b>
<b>Policy Type:</b>	Council		
<b>Approved by:</b>	Council		
<b>Department:</b>	Finance		
<b>Date Approved:</b>	25 June 2020	<b>Next Review Date:</b>	1 July 2021
<b>Relevant Legislation:</b>	Local Government (Rating) Act 2002 sections 85 and 87 Local Government Act 2002 sections 109 and 110		
<b>Clutha District Council Documents referenced:</b>	Clutha District Council Policy on Rates Postponement		

## PURPOSE

The objective of this policy is to enable ratepayers to defer paying rates for up to six months as a result of cashflow issues.

## SCOPE

This policy can apply to any ratepayers in the Clutha District who meet the conditions and criteria.

This policy can be applied from 1 April 2020. This policy will be reviewed by Council on 1 July 2021.

## POLICY

### 1. Conditions and Criteria

- 1.1. The ratepayer must provide evidence, to the satisfaction of Council, that the ratepayer has cash flow issues. This may include evidence from a bank, accountant or registered budget advisor of reduced revenue for commercial/industrial properties or reduced income for residential properties (by at least 30 per cent for a period of time of at least one month compared to the same period in the previous year).
- 1.2. Council will defer payment on rates due within six months of application. All penalties applied during that time shall be remitted.
- 1.3. The ratepayer must agree to a payment plan to pay rates after the six-month deferment. The payment plan must seek to repay the rates owed as soon as reasonably practical after the end of the six-month deferral period. All deferments are to be paid within one year of the end of the deferment period.
- 1.4. Interest shall be charged during the six-month deferral timeframe. The interest rate shall be set at the Council's forecast investment rate. The interest rate may be waived by the Council in cases where the administrative costs of charging interest outweigh the interest that will be received by the Council.

- 1.5. If the ratepayer fails to meet the arrangements of the payment plan or the payment plan extends for more than 12 months the Council may, at its discretion:
  - Charge interest, set to reflect the Council’s forecast investment rate and/or;
  - Register a rating charge on the certificate of title.
- 1.6. A ratepayer is not eligible for a second deferment. Instead, the ratepayer must apply for a postponement under Council’s Policy on Rates Postponement.
- 1.7. Council may suspend the operation of this policy if the Council is under financial pressure. If this occurs, staff must, as soon as reasonably practicable, notify the Council for a determination whether to revoke or resume the policy.

## 2. Delegations

- 2.1. Decisions are delegated to the Chief Executive.

<b>Version History</b>			
<b>Date:</b>	<b>Action:</b>	<b>Name:</b>	<b>Version:</b>
<b>25 June 2020</b>	<b>Policy Adopted</b>	<b>Council</b>	<b>1</b>