

Early Payment of Rates Policy

EARLY PAYMENT OF MĀHIA AND ŌPOUTAMA WASTEWATER SCHEME TARGETED RATES

Introduction

A local authority may adopt a policy for the early payment of some or all rates in the current financial year and subsequent financial years. This policy is for early payment of the targeted rates owing under the Māhia and Ōpoutama Wastewater Schemes.

Background

The Māhia and Ōpoutama Wastewater Schemes required ratepayers to repay the connection costs of each property owing by lump sum contribution or targeted rates.

Five options (Options 2 – 6) provided varied timeframes for payment by targeted rates (with interest charged over the chosen time period). If ratepayers did not choose an option by the specified date or underpaid the lump sum contribution option (Option 1) selected and owing, the ratepayer defaulted to a targeted rate option with a timeframe of 20 years (Option 5).

The Council wants to provide ratepayers who are subject to a targeted rate, the benefit of any payment made to clear the capital costs in full. For completeness, consistent with the Capital Project Funding Plan for the Māhia and Ōpoutama Wastewater Schemes, ratepayers who selected to repay by lump sum contribution (Option 1) but did not pay the full lump sum contribution owing as set out in the invoice, have defaulted to Option 5 for the remainder of the amount owing.

Objective of the Policy

To enable ratepayers who owe a targeted rate under the Māhia and Ōpoutama Wastewater Schemes to benefit from all payments made to clear the remaining capital costs owing in full.

Condition and Criteria

Any payments received by the Council on or before 1 September 2014 will be credited to the amount owing for a ratepayer's connection to the Māhia or Ōpoutama Wastewater Scheme and will be taken into account for the calculation of interest accrued in years 1 and 2 of the Schemes.

The recalculation of the capital costs of the Scheme for each property will occur before year 3 and will establish the final costs for the connection of each property.

Ratepayers may clear the capital costs owing in full at any time before 31 March of each financial year. The targeted rates for the financial year in which the payment is made will remain payable and only future capital payments will be cleared without interest charge. (Unless the Council resolves to apply a different date in accordance with an Early Payment Discount).

Any payments made above the targeted rate owing during a financial year (that do not clear the capital amount owing in full) will be treated as rates paid in advance with no discount or other benefit applied.

The Council may apply its sole discretion to whether or not it charges to the ratepayer any minimal residual amounts owing by targeted rate after the final recalculation i.e. should \$10.00 be owing, the Council may discount \$10.00 from the account leaving the ratepayer with no amount owing by the applicable targeted rate option.