

	COUNCIL POLICY	R POLICY REVIEW
	C 004 – INTEREST ON RATES	Policy to be reviewed as required but no later than June 2020
DATE APPROVED	RESOLUTION NUMBER	RESPONSIBLE OFFICER
27 June 2018	08/06.2018/C	General Manager

1.0 POLICY STATEMENT

1.1 Interest is to be applied to late payment of rates in a consistent manner.

2.0 OBJECTIVE

2.1 To define the application of interest when rates are being paid by instalment.

3.0 SCOPE

3.1 This policy applies to all ratepayers within the Tasman Municipality.

4.0 PROCEDURE

4.1 Application of Interest

- (i) Interest is to apply to all properties where the rates instalment is overdue.
- (ii) Interest is applied on the outstanding daily balance.
- (iii) No interest will be charged where an agreement exists, regular payments are being made and the entire rates will be paid by the fourth instalment due date.
- (iv) Any ratepayer that has an agreement to make regular payments, and subsequently defaults on a payment, will be charged interest on the outstanding daily balance from the date of the default.
- (v) Interest will be charged on all accounts that have a component of the previous year's rates outstanding. This interest will apply to the total amount outstanding (including the current year's rates). An agreement to pay by instalments can be made through the *Direct Debit* system.
- (vi) All pending interest calculates daily and is applied to the property at the end of the month on all outstanding balances.

4.2 Application of Payment Amount

- (i) Payments shall be applied in the following order:
 - a. Interest
 - b. Previous Year's Outstanding Balance
 - c. Current Year's Rates