

<b>Central Hawke's Bay District Council</b>  <b>RATES DISCOUNT POLICY</b>	<b>POLICY MANUAL</b>	
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## INTRODUCTION

Under Section 55 of the Local Government (Rating) Act 2002, a discount policy may be adopted for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current year. This discount policy must be adopted using the special consultative process and may be included in the annual plan. The policy is based on existing practice. The discount policy assumes that there is only a single discount rate.

## OBJECTIVE

To provide a consistent and fair basis for the application of discount for the early payment of rates in the current financial year.

## CONDITIONS AND CRITERIA

Ratepayers will qualify for the discount if all due rates are paid in full, together with any outstanding prior years' rates and penalties, on the due date for payment of the first instalment in the current year (in accordance with Section 55 of the Local Government (Rating) Act 2002).

The amount of the discount will be 2% of the annual rates.

The discount rate may be reviewed annually as required, taking into consideration current borrowing interest rates and will be calculated to be fiscally neutral.

## PAYMENT PLANS

1. Those ratepayers who agree to pay all current rates plus arrears by the end of the subsequent rating year will have all additional charges struck within that period, waived by Council.
2. All rates receipts will be credited against each ratepayers account in the following order:
  - i) Court Costs
  - ii) Additional charges
  - iii) Previous rate arrears – oldest first
  - iv) Current rate arrears
  - v) Current instalment
3. A discount set at the June Council meeting each year be allowed where all rates are paid in full before the penalty date for the first instalment.