

Unpaid Levies...The New Rules!

Current Position

Under the current law there are no legal rights for lot owners to request an instalment payment plan from an owners corporation should they fall behind in their levy payments – although an instalment plan is sometimes agreed to by an owners corporation in an appropriate case.

New Position

As of 1 December 2016 the new laws will give a lot owner the right to request an owners corporation to agree to a payment plan for any [levies in arrears](#). Before the owners corporation can accept a payment plan they will need to have such a request properly approved at a general meeting.

The lot owner will have to do the following:

1. Make a request to the owners corporation to hold an EGM at which the owners corporation will consider the request of the lot owner to enter into a payment plan.
2. The lot owner may be required to pay the costs of holding the EGM at which the owner wants the payment plan to be approved.
3. The owners corporation will then consider the payment plan at the EGM.
4. Alternatively, an owners corporation can approve a plan at an AGM.

Important

It's important to note that by holding an EGM it is not guaranteed that the request for the payment plan will be approved as the entry into a payment plan is a discretionary matter for the owners corporation and it is not a mandatory requirement that such a plan will have to be accepted.

Conversely, an owners corporation in a deserving and genuine case may decide to accept a request for a payment plan provided the owners corporation is of the view that the plan is more likely to be adhered to.

An owners corporation will have to be aware that if a request for a payment plan is unreasonably refused the lot owner may decide to take legal action against a refusal and seek orders from a Court of Law or Tribunal forcing the owners corporation to enter into a payment plan.

Click [here](#) for the full details of the new Levy Collection laws – [Levy Collection New Laws](#)

For NSW strata legal or levy collection advice please contact us [here](#) or call 02 9562 1266, we're happy to assist.

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