

Name:	Rating Policy		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Finance and Governance		
Approval Date:	21/06/2022	Next Review Date:	30/06/2023
Records Number:	505308	Council Decision:	10/406

### 1 PURPOSE

To provide a framework for the principles of rating and the rating methodology that is to be applied when levying rates within the Palmerston Municipality.

### 2 PRINCIPLES

City of Palmerston is committed to levying rates in a consistent, transparent and equitable manner, while ensuring that both financial and social considerations have been considered when determining the most appropriate rate mix.

### 3 DEFINITIONS

*For the purposes of this Policy, the following definitions apply:*

Term	Definition
Differential Rating	The application of applying different rating thresholds to different categories of property within the Municipality that share similar characteristics such as zoning or locality.
Unimproved Capital Value (UCV).	The dollar value of an allotment of land without any capital improvements as determined by an independent process by the Valuer General of the Northern Territory Government.
Rate Mix	The split of the total rate burden applied to the various differential rating categories.
General Rates	Rates that are levied by City of Palmerston to help fund the delivery of services and maintain appropriate infrastructure within the Municipality. These rates are levied on all rateable land.
Special Rates	A rate that is levied for a particular purpose. These rates may be levied on certain allotments who will benefit from this purpose or to the general ratepayer base if it is determined the purpose benefits all allotments.
Economic Behaviour	The way people spend money or how businesses operate. This includes purchasing property within particular areas within Palmerston, whether to and where to invest in Palmerston and operating businesses within Palmerston.

### 4 POLICY STATEMENT

#### 4.1 Principles of Rating

City of Palmerston will levy its rates in accordance with the following principles from outcomes from the Council's Community Reference Group on Rates Strategy:

### 4.1.1 Administrative Simplicity

The rating system and methodology utilised at City of Palmerston should be easy to apply, understand and comply with. It must ensure that the methodology used makes it difficult to avoid paying rates and that it is practical and cost effective to administer.

### 4.1.2 Economic Efficiency

The rating methodology and rate mix must consider and account for whether the impact of the rate burden between the differential categories will have a significant negative effect on economic behaviour.

### 4.1.3 Equity

The rating methodology and rate mix must be considered fair and equitable. It must consider the benefits received by the ratepayer as well as the ratepayer's capacity to pay.

## 4.2 **Methodology of Levying General Rates**

City of Palmerston will employ the following methodologies when levying general rates:

4.2.1 Adopt the unimproved capital value method as the basis for determining the assessed value of allotments within the Municipality.

4.2.2 Apply differential rates to various categories of allotments within the Municipality based on zoning and/or location.

4.2.3 Apply a differential minimum charge to each differential rate to ensure each allotment at least contributes a set amount.

4.2.4 Differential minimum charge may be applied to each separate part or unit of an allotment that are adapted for separate occupation or use.

## 4.3 **Levying of Special Rates**

City of Palmerston will undertake the following actions in relation to levying special rates:

4.3.1 May levy a special rate to fund a particular purpose.

4.3.2 The beneficiaries of this purpose are to be identified and the special rate is only levied against those properties or properties in the area. If it is identified that the Municipality benefits, the rate may be levied to all rateable properties.

4.3.3 Before levying a special rate, public consultation in accordance with the requirements of section 238 of the Government Act 2019 Act, must be undertaken and the opportunity for feedback provided to all ratepayers affected.

4.3.4 The basis of applying a special rate may vary depending on the purpose of the special rate but must still reflect the principles of rating.

4.3.5 Monies raised from a special rate cannot be spent on any other purpose than the original intent of the special rate.

## 5 **ASSOCIATED DOCUMENTS**

- 5.1 Council Policy *FIN17 - Rate Concession*
- 5.2 City of Palmerston Declaration of Rates and Charges

## 6 **REFERENCES AND RELATED LEGISLATION**

- 6.1 Local Government Act 2019