

Specified Area Rating Policy

Council Policy

Responsible Directorate: Corporate Services

Objective: To provide guidance on the circumstances under which a Specified Area Rate may be applied and the arrangements for the management and control the Specified Area Rate collected.

1. Statement:

A Specified Area Rate may be imposed under Section 6.37 of the *Local Government Act 1995* for the purpose of meeting the cost of a specific work, service or facility that the Council considers has benefited or will benefit the ratepayers or residents within the proposed Specified Area or that they have contributed or will contribute to the need for that work, service or facility.

2. Details:

2.1. Imposition of Specified Area Rating:

The Council may consider applying a Specified Area Rate under the following circumstances.

- a. In a new land development area, the developer has provided a higher standard of landscaping than the standard that the City would normally expect to be provided and for which the City would normally accept responsibility for ongoing maintenance. In this circumstance, the following will apply:
 - i. The landscaping standard and the proposal to fund the higher level of ongoing maintenance by a Specified Area Rate must be agreed between the developer and the City prior to the proposed landscaping being implemented.
 - ii. It will be conditional on the developer marketing the properties as having a Specified Area Rate applying in addition to the general rates levied by the City.
 - iii. It will be conditional on an incorporated property owners' body being formed representing property owners within the proposed Specified Area Rate area to be responsible for representing property owner interests between it and the City in relation to the Specified Area Rate.

- b. An incorporated body representing the property owners of an established ~~residential~~ area requests that the City provides a specific work, service or facility to their area to be funded by a Specified Area Rate imposed on the property owners. In this circumstance, the following will apply:
 - i. If the Council considers the proposal has merit, then, prior to a Council decision on such a proposal, the City will conduct a survey of all proposed affected property owners.
 - ii. It is solely at the Council's discretion as to whether or not it will agree to impose a Specified Area Rate, however, the Council will not consider agreeing to a proposal unless the survey results show support by ~~not less~~ more than ~~75~~ 50 per cent of all property owners surveyed.
- c. For any area to be considered for a Specified Area Rate, whether as a result of (a) or (b) above, it must be a reasonable size in terms of the number of properties and defined by clear and discernible geographic boundaries which may include main streets, or natural features. It shall be of a sufficient size and encompass an area significant enough that the Council believes a Specified Area Rate can be effectively applied. A Specified Area Rate will not be considered for a minor area such as a single property, small group of properties, or a single street. As a general guide, it is expected that a Specified Area Rate area would include no less than 100 properties.
- d. It is a condition for any Specified Area Rate to be imposed that there will be a representative property owners' group operating as an incorporated body, open to membership of all property owners in the Specified Area Rate area. The body will meet regularly to discuss the issues related to the services provided as part of the Specified Area Rate arrangement. The City will provide representation to attend meetings of the body to provide technical advice with respect to the services and the operation of the Specified Area Rate.

2.2. Management of the Specified Area Rate:

- a. City representatives will consult with the representative property owners' group on a regular basis in relation to the operation of the Specified Area Rate. The program of works and services proposed to be funded by the Specified Area Rate in a financial year will be agreed between representatives of the City and the representative property owners' group prior to the adoption by the Council of the budget for that year. If capital infrastructure items are requested through this process, consideration of the ongoing operational costs associated with the maintenance of the item/s will be given before Council determines whether or not to approve their installation.
- b. The gross amount to be imposed for the Specified Area Rate is to be ascertained from the agreed program of works and services as part of the City's annual budgeting process. Consideration will be given to any surplus Specified Area Rate funds held in reserve from prior years when determining the gross amount to be imposed.
- c. The gross amount of the Specified Area Rate that needs to be raised is to be apportioned between the properties within the Specified Area based on the gross rental value applicable to each property and will be imposed in addition to the general rate levied by the Council.
- d. The delivery method of the work, service or facility the subject of the Specified Area Rate arrangement will be determined at the sole discretion of the City.

- e. The City will remain at all times the custodian of the Specified Area Rate and will administer the funds collected in compliance with the relevant provisions of the *Local Government Act 1995*, as amended, including establishing a reserve fund to hold any unspent or surplus funds at the end of the financial year.
- f. The City will ensure that there are appropriate management arrangements in place to maintain its relationship with the representative property owners' group, that there are processes to deal with concerns and issues raised by property owners in regard to the Specified Area Rate and to inform property owners of the City's requirements in regard to the operation of the Specified Area Rate. For any issue not able to be resolved by other means, Council will determine the matter at its sole discretion.

2.3. Termination of a Specified Area Rate Arrangement:

- a. The power to impose and to terminate a Specified Area Rate rests with the Council and will be considered on its merits as and when required.
- b. A Specified Area Rate will be considered for termination if it is established, to the satisfaction of the Council, that any of the following apply:
 - i. The representative property owners' group has ceased to operate, whether through loss of incorporation, loss of office bearers and/or membership, or through failure to meet on a regular basis to discuss the issues related to the services provided as part of the Specified Area Rate arrangement.
 - ii. The representative property owners' group no longer represents all of the property owners affected by the Specified Area Rate.
 - iii. The representative property owners' group has, by a formal process at a duly constituted meeting of the group, resolved that it no longer wishes to continue with a Specified Area Rate arrangement.
 - iv. It is no longer appropriate, necessary or viable to continue to provide the additional services and to levy the Specified Area Rate.
- c. Once a Specified Area Rate arrangement is terminated, the service level in the area concerned will revert back to the normal service level. Where there was no previous normal service level (such as a new development that started as a Specified Area Rate area) it shall be that which the City may determine, at its sole discretion, is an appropriate normal level of service for the area.
- d. If, for any reason, a Specified Area Rate arrangement terminates, it shall be effective from the conclusion of the financial year in which that occurs, unless it occurs prior to the adoption of the budget for that year, in which case it will be effective immediately. Any unspent or surplus funds held in reserve at the termination of the Specified Area Rate arrangement will be dealt with in accordance with the provisions of Section 6.37 the *Local Government Act 1995* relating to Specified Area Rates and Section 6.11 relating to reserve funds.

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Related Documentation: • *Local Government Act 1995*