

SPECIAL RATE AND CHARGE SCHEMES **OVERVIEW**

There are three ways in which Special Rate and Charge Schemes can be constructed. The way in which they are applied may either result in a differing rate between properties (namely based on the site value and therefore size of the premises) or a flat rate being applied to each property, regardless of its site value.

For all of the following examples, it is necessary that the total amount to be collected is determined, and then calculations 'work backwards'. The three ways in which a special rate and/or charge scheme can be levied include:

SPECIAL CHARGE: Same amount levied on each property.

$$\frac{\text{No. of properties}}{\text{Total amount to be raised}} = \text{Amount per property}$$

SPECIAL RATE: Differing amount levied on each property relating to the 'site value' or 'capital improved value' of the property.

$$\frac{\text{(Amount to be raised)}}{\text{Total site value of all prop.}} \times \text{individual site value of each property} = \text{Amount per property}$$

SPECIAL RATE AND CHARGE:

Is a combination of the above, usually half the scheme is a charge and half the scheme is based on a 'rate' (proportion of site value). This scheme will still result in a differing rate between larger and smaller sized premises, but the 'disparity' won't be as large.

The decision between which scheme should be utilised should be made by the Traders Association. The City of Maroondah has had schemes utilising all three of the above - each have their own advantages which need to be discussed at the centre level.