



**dr.jsmlm**

**Dr JS Moroka Local Municipality**

**REVIEVED FOR 2025/2026 FINANCIAL YEAR**

## PROPERTY RATES POLICY

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## **1. PREAMBLE**

- The municipality derives its power to levy rates from section 229(1) of the Constitution of the Republic of South Africa.
- The obligation on a council of a municipality to adopt and implement a rates policy on the levying of rates on a rateable property is derived from the following legislation:
  - Section 3(1) of the Municipal Property Rates Act (MPRA), Act 6 of 2004
  - Section 62(1) of the Municipal Finance Management Act, Act 56 of 2003

The policy of Dr JS Moroka Local Municipality for levying rates on rateable property is set out in this document. The council adheres to all requirements of the Municipal Property Rates Act and Municipal Finance Management Act including any regulation promulgated in terms of these Acts.

The rates policy only rules the rating of valued property which are valued according to the Municipal Property Rates Act, No.6 of 2004 and its under regulations as published in the Government Notice 1856 of 2005 in Government Gazette 28113 dated 13 October 2005 and does not rule or guide the processes of property valuation and approval of the valuation roll.

As part of each annual operating budget the council is obligated to impose a rate in the rand on a market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within Dr JS Moroka Local Municipality area of jurisdiction is rateable unless it is specifically exempted as set out in section 15 of the MPRA.

The Rates Policy set out the broad policy framework within which the municipality rates its area as per section 3 of the MPRA, and annually it's reviewed to cater for any amendment as per section 5 of the MPRA.

## **2. DEFINITIONS**

Definitions have the following meanings, unless the context otherwise indicates:

**"act"** means the Local Government Municipal Systems Act, 32 of 2003 as amended by Act 44 of 2003 and any promulgation Regulations in line with the Act.

**"agent"**, in relation to the owner of a property, means a person appointed by the owner of the property-

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

**"agricultural property"** means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game.

**"annually"** means once every financial year;

**"business"** means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of mining, agriculture, farming, or inter alia, any other business consisting of cultivation or soil, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

**"category"**

- (a) in relation to property, means a category of properties determined in terms of Section 7 of this policy; and
- (b) in relation to owners of properties, means a category of owners determined in terms of Section 8 of this policy.

**"child-headed household"** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.

**"government"** means owned and exclusively used by an organ of the state, excluding non-urban properties used for residential or agricultural purposes or not in use.

**"illegal use"** means any use that is inconsistent with or in contravention of the permitted use of the property.

**"indigent"** means debtors who are poor private residential households as defined by the municipality's policy on free basic services and indigent support.

**"land reform beneficiary"**, in relation to a property, means a person who -

- (a) acquired the property through -
  - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
  - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution (Act No.108 of 1996) be enacted after this Act has taken effect;

**"land tenure right"** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004 (Act No.11 of 2004);

**"municipality"** means the Local Municipality of DR JS Moroka;

**"multiple use"** means a property that cannot be assigned to a single category due to the different uses of the property.

**"newly Rateable property"** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding -

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

**"owner"**-

- (a) in relation to a property referred to in paragraph (a) of the definition of "property", means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of "property", means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled", provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-
  - (i) a trustee, in the case of a property in a trust excluding state trust land;

- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

***"privately owned towns serviced by the owner"*** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

***"property"*** means -

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure.

***"public service infrastructure"*** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

**"public service purpose property"** in relation to the use of a property, means property owned and used by an organ of state as

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,

but excludes property contemplated in the definition of public service infrastructure.

**"residential property"** means improved property that:-

- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

And specifically exclude hostels, flats, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

**"rural communal settlements"** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

**"state trust land"** means land owned by the state-(a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

(b) over which land tenure rights were registered or granted; or

(c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)

**"urban land"** means land which is situated within a proclaimed township.

**"vacant land"** means:

- land where no immovable improvements have been erected; or
- the value added by the immovable improvements is less than 10% of the value of the land.
- vacant land is categorised according to the permitted use of the property with the exception of vacant residential land which have a separate category of property.

### **3. LEGISLATIVE FRAMEWORK**

3.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2014), which specifically provides that a municipality must adopt a Rates Policy.

3.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.

3.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2014) a local municipality in accordance with-

- a. Section 2(1), may levy a rate on property in its area; and
- b. Section 2(3), must exercise its power to levy a rate on property subject to-
  - i. Section 229 and any other applicable provisions of the Constitution;
  - ii. the provisions of the Property Rates Act and the regulations promulgated in terms thereof; and
  - iii. the rates policy.

3.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the Council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

- 3.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 3.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2014) and any regulations promulgated in terms thereof.

#### **4. POLICY PRINCIPLES**

- 4.1 Rates are levied in accordance with the Act as cents in the rand amount based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 4.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 8 and 9 of this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 4.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 17 of this policy.
- 4.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:
- (a) Equity  
The municipality will treat all ratepayers with similar properties the same.
  - (b) Affordability  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.
  - (c) Sustainability  
Rating of property will be implemented in a way that:
    - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
    - ii. Supports local, social and economic development; and
    - iii. Secures the economic sustainability of every category of ratepayer.
  - (d) Cost efficiency  
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after considering profits generated on

trading (water) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

## **5. SCOPE OF THE POLICY**

5.1 This policy document guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

## **6. APPLICATION OF THE POLICY**

6.1 In imposing the cents in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

## **7. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES**

7.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:-

(a) Trading services

i. Water

(b) Economic services

i. Refuse removal.

ii. Sewerage disposal.

(c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 7.1 (a) and (b).

7.2 Trading and economic services as referred to in clauses 7.1 (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

## **8. CATEGORIES OF PROPERTY**

8.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

- Residential properties;

- Industrial properties;
- Business and commercial properties;
- Agricultural properties
- Properties owned by organ of state & use for public service purpose
- Public service infrastructure properties
- Non profit organisation properties
- Multipurpose business & residential properties;
- Agricultural commercial properties;
- Agricultural residential properties;
- State owned properties;
- Consent use properties
- Government institution properties;
- Farming properties;
- Non permitted use properties
- Vacant land/ stand properties.

- 8.2 In determining the category of a property referred to in 8.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.
- 8.3 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 10.1 of this policy.

## **9. CATEGORIES OF OWNERS**

- 9.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 12, 13 and 14 respectively the following categories of owners of properties are determined:-
- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
  - (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
  - (c) Owners of property situated within an area affected by-
    - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
    - ii. serious adverse social or economic conditions.
  - (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
  - (e) Owners of properties situated in "privately owned towns" as referred to in clause 13.1 (b);(f) Owners of agricultural properties as referred to in clause 13.1 (c); and

- (g) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

## **10. PROPERTIES USED FOR MULTIPLE PURPOSES**

- 10.1 Rates on properties used for multiple purposes will be levied in accordance with the tariff structure and if not included in the tariff structure, then will be levied in accordance with the dominant use of the property.

## **11. DIFFERENTIAL RATING**

- 11.1 Criteria for differential rating on different categories of properties will be according to:-
  - (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
  - (b) The promotion of local, social and economic development of the municipality.
- 11.2 Differential rating among the various property categories will be done by way of:-
  - (a) setting different cent amount in the rand for each property category; and
  - (b) by way of reductions and rebates as provided for in this policy document.

## **12. REBATES, EXEMPTIONS AND REDUCTIONS**

The council of the municipality may grant exemptions, rebates and reductions in recognition of section 15(2) of the act:

### 12.1.1 Rebates

When a specific category of owners of properties or the owners of a specific category of properties qualify for more than one rebate at a given time, each rebate will be calculated on the total levy amount.

### 12.1.2 Indigent owners

The council has adopted a free basic services and indigent support policy for the alleviation of the rates burden on the low-income sectors of the community within the municipality.

### 12.1.3 Residential

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. The maximum reduction is determined as R100 000. The impermissible rates of R15 000

contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred above as annually determined by the municipality.

#### 12.1.4 Pensioners

Pensioners may be granted a further rebate on the residential tariff for property owners subject to the following:

The applicant must apply annually:

- a) Applications must be received annually by no later than 30 June of each year. Applications received after June of each year will only receive a rebate from the month of application.
- b) Must be at least sixty (60) years of age upon application. In case of married couples the age of the eldest will be the qualifying factor.
- c) Must be the registered owner of the property or in the case of a trust, the applicant must have life rights on the property.
- d) Must reside permanently on the property concerned. If the owner has more than one registered property or second dwelling, the rebate will only be granted on the occupied property or second dwelling.
- e) The combined income from all sources (including the spouses of the owner) may not exceed R96 000,00 per annum.
- f) Each application must be accompanied by the following certified documents:
  - valid identity document.
  - certified proof of pensionable income (pay slip or documentary proof from pensionable institution).
  - where no proof of pensionable income can be submitted, three (3) months certified bank statements which may not be older than three (3) months from date of application.
  - in cases of a late estate the heir or the beneficiary provide a copy of the death certificate and letter of authority by court or will.
- (g) Property must be categorized for residential purposes only in terms of the municipal valuation roll.
- (h) The rebates to be granted will be based in respect of the combined income of the preceding three (3) months average monthly earnings from date of application:  
Average monthly earnings per month

Rebate:

R0 to R 4 000,00 - 100%

R 4 000,01 to R 5 000,00 - 60%

R 5 000,01 to R 6 000,00 - 50%

R6 000,01 to R8 000,00 - 20%

(i) the rebate will lapse upon:

- death of the applicant
- alienation of the property
- when the applicant ceases to reside permanently on the property
- the combined income from all sources exceeds R8 000,00 per month.

#### 12.1.5 Disability grantees/medically boarded

Disability grantees, medically boarded persons may receive a rebate on the residential tariff rate for property owners subject to the following:

The applicant must:

- a) Be in possession of a disability card or provide medical proof of disability, or letter issued by Department of Social Welfare confirming receipt of a disability grant.
- b) Be the registered owner of the property and reside permanently on the property.
- c) In the case of a direct family member under the care of the property owner: proof that the property owner is financially responsible for the direct family member; and proof that the person is being instituted at an institution for the necessary care, treatment or rehabilitation for a period more than six (6) months.
- d) Produce a valid identity document.
- e) Confirm the aforementioned details by means of a sworn affidavit.
- f) Applications must be submitted or received annually by no later than 30 June of each year. Applications received after June of each year will only receive a rebate from the month of application.
- g) The rebate to be granted will be based in respect of the combined preceding three (3) months average monthly earnings:

Rebate:

R0 to R 4 000,00 - 100%

R 4 000,01 to R 5 000,00 - 60%

R 5 000,01 to R 6 000,00 - 50%

R6 000,01 to R8 000,00 - 20%

(h) the rebate will lapse upon:

- death of the applicant
- alienation of the property
- when the applicant ceases to reside permanently on the property.

#### 12.1.6 Rebates on new business developments by private developers

To promote development and economic growth in the municipal area, the municipality may grant a rebate to an owner who developed a property subjected to:

- the development creates local job opportunities
- the development is beneficial to the community
- social upliftment of the local community

Rebate:

In the first year a rebate of 100%

In the second year a rebate of 75%

In the third year a rebate of 50%

In the fourth year a rebate of 25%; and

In the fifth year the full property tax will be payable.

#### 12.1.7 Rebates on new residential and public worship rateable property

Newly rateable property as referred to in subsection (1)(a) or (b) of the Act will be phased in as follows:

In the first financial year a rebate of 75%

In the second financial year a rebate of 50%

In the third financial year a rebate of 25%, and

In the fourth financial year the full property tax will be payable

#### 12.1.8 Rebates on existing business properties

To promote development and economic growth in the municipal area, the municipality may grant a rebate to an owner who owned the property subjected to:

- the development creates local job opportunities
- the development is beneficial to the community
- social upliftment of the local community

The applicant must:

- a) Provide business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met.
- b) an assessment will be done by the revenue enhancement committee whether the applicant qualifies or not.
- c) Applications must be received annually by no later than 30 June of each year. Applications received after June of each year will only receive a rebate from the month of application.
- d) The rebate is determined as 30%.

### 12.1.9 Rebates on industries

To ensure sustainability of industry which employ local individuals permanently, a rebate of 15% on the industrial rate subject to specific conditions of sale:

- the industry creates more than 200 local permanent jobs; and
- the industry is beneficial to the community.

## 12.2 Exemptions

12.2.1 Rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, Act 100 of 1978.

12.2.2 Rateable property owned by public benefits organizations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

12.2.3 Museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.

12.2.4 National monuments including ancillary business activities at national monuments as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.

12.2.5 Rateable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), Act 37 of 1989, and their families.

12.2.6 Sport grounds used for the purposes of amateur sport and any social activities which relate to such sport.

12.2.7 Rateable property registered in the name of the boy scouts, girl guides, sea scouts, voortrekkers or any organization which is in the opinion of the municipality similar, or any rateable property let by the municipality to any such organization.

12.2.8 Rateable property registered in the name of a declared institution in terms of Cultural Institutions Act, Act 119 of 1998 as amended, promoting the cultural aims as defined in section 6(a) and (b) of the ninth schedule of the Income Tax Act.

12.2.9 All properties as specified by section 17(1) of the act as follows:

- on the first 30% of the market value of public service infrastructure.
- on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial business, or residential agricultural purposes.
- on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the act.
- on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- on the first R15 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality -
  - i. for residential properties
  - ii. for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes; or
- on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

### 12.3 Reporting of all exemptions, rebates, and reductions

12.3.1 The municipal manager must annually within two months from the end of a financial year table in council according to section 15(3) and (4) of the act with relation to that financial year the following:

- (i) such exemptions, rebates and reductions;
- (ii) exclusions referred to in section 17(1)(a), (e), (g), (h) and (i) of the act; and

## **13. PAYMENT OF RATES**

13.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or
- (b) annually

13.2 Ratepayers may choose paying rates annually in one instalment. If the owner of property that is subject to rates, notify the municipality or his/her nominee in writing not later than 30 June in any financial year, or such later date in such financial year

as may be determined by the municipality that he/she wishes to pay all rates annually, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year annually until such notice is withdrawn by him/her in a similar manner.

- 13.3 The municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.
- 13.4 Interest on arrears rates shall be calculated in accordance with the provisions of the Tariff Policy of the Municipality.
- 13.5 If a property owner who is responsible for the payment of property rates in terms of this policy fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection By-law of the Municipality.
- 13.6 Arrears rates shall be recovered from owner, tenants and occupiers in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.
- 13.7 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 13.8 In addition, where the rates levied on a particular property have been incorrectly determined as per section 13.7 above, the interest on arrears shall be adjusted for the period where the error was made.

#### **14. ACCOUNTS TO BE FURNISHED**

- 14.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
- (i) the amount due for rates payable,
  - (ii) the date on or before which the amount is payable,
  - (iii) how the amount was calculated,
  - (iv) the market value of the property, and
  - (v) rebates, exemptions, reductions or phasing-in, if applicable.

14.2 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

## **15. SPECIAL RATING AREAS**

15.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

15.2 The following matters shall be attended to in consultation with the committee referred to in clause 18.3 whenever special rating is being considered:-

- Proposed boundaries of the special rating area;
- Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
- Proposed improvements clearly indicating the estimated costs of each individual improvement;
- Proposed financing of the improvements or projects;
- Priority of projects if more than one;
- Social economic factors of the relevant community;
- Different categories of property;
- The amount of the proposed special rating;
- Details regarding the implementation of the special rating;
- The additional income that will be generated by means of this special rating.

15.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.

15.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager.

A majority shall be regarded as 50% plus one of the households affected. Each relevant household within the special rating area, i.e. every receiver of a monthly municipal account, will have 1 vote only.

- 15.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 8 of this policy.
- 15.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 15.7 The municipality shall establish separate accounting and other record-keeping systems for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

## **16. FREQUENCY OF VALUATION**

- 16.1 The municipality shall prepare a new valuation roll at least every 5 (five) years.
- 16.2 In accordance with the Act the municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 7 (seven) years.
- 16.3 Supplementary valuations may be done on a continual basis but at least once annually.

## **17. COMMUNITY PARTICIPATION**

- 17.1 Before the municipality adopts the rates policy, the municipality will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:-
  - (a) Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities.
  - (b) Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.
  - (c) Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.
  - (d) Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part

of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.

- (e) Council will consider all comments and/or representations received when considering the finalisation of the rates policy.
- (f) The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

## **18. REGISTER OF PROPERTIES**

- 81.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 81.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 81.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
  - i. Exemption from rates in terms of section 15 of the Property Rates Act,
  - ii. Rebate or reduction in terms of section 15,
  - iii. Phasing-in of rates in terms of section 21, and
  - iv. Exclusions as referred to in section 17.
- 81.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 81.5 The municipality will update Part A of the register during the supplementary valuation process.
- 81.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

## **19. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY**

The municipality will adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

## **20. EFFECTIVE DATE**

The rates policy takes effect from the start of the financial year.

21. **REVIEW**

This policy will be reviewed annually with the budget process to ensure that it complies with applicable legislation and regulation. The reviewed policy will be approved with the adoption of the annual budget for the applicable financial year in terms of section 16(2) of the MFMA.