



MTUBATUBA

LOCAL MUNICIPALITY

PROPERTY RATES POLICY

2014/2015

TABLE OF CONTENTS

No	Description	Page
No	Preamble	3
1.	Definitions	4 – 13
2.	Fundamental principles of this policy	13
3.	The purpose of this policy	13 – 14
4.	Implementation of this policy and effective date	14
5.	Equitable treatment of ratepayers	14
6.	Differential rating	15
7.	Categories of rateable property	15 – 16
8.	Relief measures	16
9.	Relief measures for categories of owners	16 – 17
10.	Exemptions granted to categories of properties	18 – 19
11.	Constitutionally impermissible rates	19
12.	Exemptions granted to categories of owners	19 – 20
13.	Newly rated property	20 – 21
14.	Reduction in the value of a property	21
15.	Rebates for property, use and ownership categories	22 – 24
16.	Recovery of rates	24 – 25
17.	Consolidation and apportionment of payments	25 – 26
18.	Deferment of rates	26 – 27
19.	Community participation	27 – 28

PREAMBLE

Whereas:

The Council of the Mtubatuba Municipality has resolved to levy rates on the market value of all rateable properties in its area of jurisdiction as reflected in its valuation rolls compiled in terms of the Municipal Property Rates Act No 6 of 2004 in order to provide a source of revenue to perform its allocated functions;

The Municipality may impose rates on property in terms of section 229 of the Constitution of the Republic of South Africa 1996, Section 2(1) of the Municipal Property Rates Act (No. 6 of 2004) and in doing so must exercise the power to levy rates. Section 2(3) requires a municipality to develop a property rates policy in terms of which rates are going to be collected. This is confirmed in terms of Section 62 (1) (f) (ii) of the Municipal Finance Management Act (56 of 2003) which requires the municipal manager to ensure that the municipality has and implements a property rates policy.

The Municipality must in terms of section 3 of the Act formally adopt a property rates policy consistent with the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

Revenue raised from property rates will be used by the Municipality to perform its functions in accordance with its Constitutional obligations which include the rendering of municipal services, promote social and economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in the matters of local government.

PART 1: DEFINITIONS

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property Rates Act 6 of 2004 ("the Act") and for this purpose lists hereunder the definitions used in the Act unless otherwise stated.

In this Property Rates Policy, unless the context indicates otherwise:-

"Act" Means the Local Government: Municipal Property Rates Act (Act 6 Of 2004)

"Actual use", the actual use of a property at the time of valuation and does not legalise the illegal use of a property in terms of the Municipality's Town Planning Scheme.

"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", Property that is used for the production of crops, livestock or other generally recognized agricultural activities, together with those buildings which are also generally considered necessary for these agricultural activities. Agricultural property excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game as defined in the Act as "agricultural purpose."

"annually" means once every financial year;

"appeal board" means a valuation appeal board established in terms of section 56;

"asset threshold" Means the total market value of the property owned by a person;

"assistant municipal valuer" means a person designated as an assistant municipal valuer in terms of section 35 (1) or (2);

"category"—

- (a) in relation to property, means a category of properties determined in terms of section 8; and
- (b) in relation to owners of properties, means a category of owners of properties determined in terms of section 15 (2);

“child headed household” Means a household recognised as such in terms of section 137 of the Children’s Amendment Act (Act 41 of 2007)

“commercial, business and industrial properties” means properties covered in section 8(2) namely industrial properties, business and commercial properties, farm properties used for other businesses and commercial purposes, small holdings used for business and commercial purposes and those used for industrial purposes, grain co-ops and grain silos, cell phone towers, mines, petrol filling stations, post offices, racetracks, shopping centres;

“communal property” means a single cadastral holding inside or outside of a township used for communal purposes, irrespective of the registered owner. This includes land owned by the State in trust for persons communally inhabiting the land in terms of traditional system of land tenure, land over which land tenure rights are registered or granted land which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 or property which is used communally. Communal property must have more than a specified number of residents/non residential top structures, for it to be considered communal by use. Such land includes State Trust Land and property belonging to the Ingonyama Trust Board.

“data-collector” means a person designated as a data-collector in terms of section 36;

“date of valuation” means the date determined by a municipality in terms of section 31 (1);

“disabled” Means a person who qualifies to receive relief in terms of the Social Services Act (Act 59 of 1992) or has been certified as disabled by a medical practitioner;

“disaster” Means a disaster within the meaning of the Disaster Management Act (Act 57 of 2002); or any other serious adverse social or economic condition

“district management area” means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

“district municipality” means a municipality that has municipal executive and legislative authority in respect of its allocated functions in an area that includes more than one municipality, and which is described in section 155 (1) of the Constitution as a category C municipality;

“dominant use” means that a property is predominantly used for a specific use in terms of its measured building area. The dominant use of a property is determined by the Municipal Valuer.

“Ecotourism properties” means tourism related institutions that combine conservation of the natural environment with the promotion of the economic welfare of the community and the stimulation of tourism in the municipal area

“effective date”:-

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32 (1); or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78 (2) (b);

“exclusion”, in relation to a municipality's rating power, means a restriction of that power as provided for in section 17;

“exemption”, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

“financial year” means the period starting from 1 July in a year to 30 June the next year;

“hospitality industry” means undertakings that are promoting tourism through the accommodation which is offered like B&B's and guest houses with less than six bedrooms;

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“indigent owner” means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent support policy;

“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); or
- (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 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;

“local community”, in relation to a municipality—

- (a) means that body of persons comprising—
 - (i) the residents of the municipality;
 - (ii) the ratepayers of the municipality;
 - (iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155 (1) of the Constitution as a category B municipality;

“market value”, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

“MEC for local government” means the member of the Executive Council of a province who is responsible for local government in that province;

Mining property means property on which an operation or activity of extracting minerals is conducted and includes any operation or activity incidental thereto;

“Minister” means the Cabinet member responsible for local government;

“multiple purposes”, in relation to a property, means a property used for more than one purpose and for which the valuer has apportioned the market value to different uses of the property;

“municipal council” or “council” means a municipal council referred to in section 18 of the Municipal Structures Act;

“Municipal Finance Management Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“municipality”—

- (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and

(b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“Municipal valuer” or “valuer of a municipality” means a person designated as a municipal valuer in terms of section 33 (1);

“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 following on a consultative process with the owner of the property;

“Non-profit organizations” means any organization which is registered in terms of the Non-profit Organizations Act. and / or registered as a section 21 company in terms of the Companies Act.

“occupier”, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

“organ of state” means an organ of state as defined in section 239 of the Constitution;

“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, either in the form of a title deed, long term lease agreement or deed of grant
- (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 liquidation;
 - (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
 - (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;

“Owners of property in an area affected by a disaster” means owners of property situated within an area affected by:

- (a) a disaster within the meaning of the **Disaster Management Act 57 of 2002**;
- (b) any other serious adverse social or economic conditions;

“Pensioner” means

- a) a person in receipt of a social pension; and /or
- b) a person over the age of 60 years; or a person who has retired prematurely from employment due to medical reasons. or complies with criteria outlined in this policy

c) **“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of—

(a) any restrictions imposed by

(i) a condition of title;

(ii) a provision of a town planning or land use management scheme; or

(iii) any legislation applicable to any specific property or properties; or

(b) any alleviation of any such restrictions;

“person” includes an organ of state;

“prescribe” means prescribe by regulation in terms of section 83;

“places of public worship” Property which is registered in the name of an used primarily as a place of public worship by a religious community, including the 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

“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/legal entity;

(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;

“property register” means a register of properties referred to in section 23;

“protected area” means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

“Protected Areas Act” means the National Environmental Management: Protected Areas Act, 2003;

“publicly controlled” means owned by or otherwise under the control of an organ of state, including:-

(a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(b) a municipality; or

(c) a municipal entity as defined in the Municipal Systems Act;

“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);

“rate” means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

“rateable property” means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

“rebate”, in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

“reduction”, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

“register”—

- a) means to record in a register in terms of—

- (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- b) includes any other formal act in terms of any other legislation to record—
- (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

“residential property” means a property included in a valuation roll in terms of section 48 (2) (b) as residential. Residential may include property which the dominant use is residential based upon the measured building area and uses included are residential, sectional title, non-sectional title apartments, hostels, barracks, old age homes and retirement villages.

“retiree” means a person who has retired from employment in terms of that person's employment conditions and circumstances.

“Sectional Titles Act” means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

“sectional title scheme” means a scheme defined in section 1 of the Sectional Titles Act;

“sectional title unit” means a unit defined in section 1 of the Sectional Titles Act;

“specified public benefit activity” means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

“specialized non-market properties” including national monuments, schools, cemeteries/crematorium, libraries, sports clubs including stadiums, public open spaces including parks open to the general public, vacant land to be used for these purposes.

“state owned properties”: Prisons, law courts, military bases, police stations, properties used by the state for residential and office accommodation, public open spaces, vacant land to be used for these purposes

“temporarily without income” means;

- (a) in the case of an employee:–
 - (i) the period for which the person is entitled to benefits in terms of the Unemployment Insurance Act; or
 - (ii) 90 days whichever is the longer; or
- (b) in any other case, a period of 90 days determined from the date of application by that person for relief in terms of this policy;
- (c) The application should include an affidavit stating the situation of the applicant

- (d) The municipality will decide on the merit of each application.
- (a) In this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

“this Act” includes regulations made in terms of section 83.

“vacant land” means land, irrespective of the category of property, where no immovable improvements have been erected.

PART 2: FUNDAMENTAL PRINCIPLES OF THIS POLICY

The principles of the policy are to ensure that:-

- 2.1 the power of the municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital or labour in terms of Section 229 of the Constitution of the Republic of South Africa;
- 2.2 all ratepayers, in a specific category of properties, as determined by council from time to time, will be treated equitably;
- 2.3 property rates will be assessed on the market value of all rateable properties as contained in the valuation rolls of the municipality for the purpose of generating revenue for the municipality to perform its functions;
- 2.4 the rates income generated by the municipality will take into account relief measures;
- 2.5 this Policy will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

PART 3: THE PURPOSE OF THIS POLICY

The purpose of this policy is to:

- 3.1 comply with the provisions of section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 3.2 give effect to the principles outlined above;
- 3.3 determine the methodology and to prescribe procedures for the implementation of the Act;

- 3.4 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.5 determine criteria for the determination of categories of properties and categories of owners;
- 3.6 determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.7 determine measures to promote local economic and social development.

PART 4: IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE

- 4.1 This policy takes effect from beginning of the municipal financial year being the effective date of the new valuation roll prepared by the municipality in terms of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and will accompany the municipality's budget for the financial year 2013/2014;
- 4.2 The Rates Policy will be reviewed annually;
- 4.3 The Municipality will adopt by-laws to give effect to the implementation of its Property Rates Policy and such by-laws must be read in conjunction with this policy;
- 4.4 The by-laws adopted in terms of Item 4.3 will be reviewed annually, and if necessary, be amended by the Municipal Council, in conjunction and in accordance with its Property Rates Policy; and
- 4.5 The adoption of By-laws will be in accordance with the provisions of the Municipal Systems Act.

PART 5: EQUITABLE TREATMENT OF RATEPAYERS

- 5.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers.
- 5.2 The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act.
- 5.3 The Municipality may adopt measures to ensure equitable and fair treatment of ratepayers.
- 5.4 Any differentiation in levying rates on the different categories of properties and owners will not constitute unfair discrimination.

PART 7. DIFFERENTIAL RATING

Differential rating is the levying of different rates for different categories of properties. The Municipality has resolved to levy differential tariffs for different categories of rateable properties as reflected in the policy and the tariffs applicable to the different categories of properties are as resolved by the council in its tariff policy and gazetted:

PART 8: CATEGORIES OF RATEABLE PROPERTY

8.1 For the purpose of the Act and in terms of this Part, the following categories of properties will be used.

Category
Residential Properties
Agricultural property
Business, commercial and industrial properties
State owned properties
Municipal properties
Public Service Infrastructure
Communal property
Protected areas
Properties on which national monuments are proclaimed
Properties owned by Public benefits organisation and used for any specific public benefit activities
Properties used for multipurpose
Ecotourism
Hospitality industry
Mining property
Places of public worship
Specialized 'non market' Properties
Vacant land

- 8.2 The Municipality will not levy different rates on residential properties except as provided for in sections 11 and 21 of the Act;
- 8.3 The municipality will comply with the prescribed ratio in ratings between residential, agriculture and Public Service Infrastructure determined in terms of section 11 of the Act;
- 8.4 The municipality will not levy rates on properties which are stated as Impermissible rates in section 17 of the Act;
- 8.5 Differential rating amongst the categories of properties will be by way of determining different cent amounts in the Rand for each category of property.

PART 9 RELIEF MEASURES

- 9.1 The municipality has considered:
 - 9.1.1 the need to grant relief to certain property owners (including the poor) with a view to providing for appropriate measures to alleviate the impact of the rates burden on them;
 - 9.1.2 as well as certain categories of properties and certain usages of properties.
 - 9.1.3 Relief will only be granted to those who meet the requirements as set out below.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption from the payment of rates a rebate on rates payable or a reduction in the value of the property for rating purposes
- 9.3 The municipality will not grant relief to the owners of properties on an individual basis.

PART 10: RELIEF MEASURES FOR CATEGORIES OF OWNERS

- 10.1 The municipality has identified the following ownership categories for purposes of considering the granting of relief in terms of section 15 of the Act.

10.1.1. Indigent owners;

A Applicable eligibility criteria:

- 10.1.1.1 Be the sole or joint owner of the property;
- 10.1.1.2 Be living permanently on the property;

- 10.1.1.3 Not own any other property; and
- 10.1.1.4 In addition, qualifies as indigent in terms of the municipality's indigent support policy

10.1.2 Pensioners, retiree and disabled person;

B Applicable eligibility criteria:

- 10.1.2.1 In order to qualify for the rebates a pensioner, a retiree, and a disabled person must:-
 - 10.1.2.1.1 Be the owner of the property either solely or jointly;
 - 10.1.2.1.2 Be living permanently on the property;
 - 10.1.2.1.3 Provide proof of identity in the form of an identity document
 - 10.1.2.1.4 Substantiate items 10.1.2.1.1 and 10.1.2.1.2 above by way of a sworn affidavit before a Commissioner of Oaths;
 - 10.1.2.1.5 Medical certificate as required by the municipality if the application relies on a medical basis for the rebate, As outlined in the definition and in 10.1.2.1
- 10.1.3 Owners of property situated within an area affected by:
 - 10.1.3.1 A disaster within the meaning of the Disaster Management Act 57 of 2002;
 - 10.1.3.2 Any other serious adverse social or economic conditions decided by the Council in considering an application for relief;
- 10.1.4 Owners of residential properties with a market value below **R60 000.00** as determined by the Municipality;
- 10.1.5 Public benefit organizations who conduct the following specified public benefit activities:
 - 10.1.5.1 Welfare; or
 - 10.1.5.2 Health care; or
 - 10.1.5.3 Education; and
 - 10.1.5.4 Are registered in terms of the Income Tax Act for tax reductions because of the activities referred to in (10.1.6);
- 10.1.6 Non-profit organizations registered in terms of the non-profit organizations Act whose activities are that of a public and charitable nature as may be specified by the Municipality from time to time;
- 10.1.7 Minor children who are the head of a household as defined in Child headed household;

PART 11: EXEMPTIONS GRANTED TO CATEGORIES OF PROPERTIES

11.1 The Municipality has exempted from payment of rates the following categories of properties in terms of section 17 of MPRA:

- 11.1.1 the first 30% of the market value of public service infrastructure;
- 11.1.2 mineral rights within the meaning of paragraph ((b) of the definition of "property" in section 1 of the MPRA;
- 11.1.3 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;
- 11.1.4 Property registered in the name of and used primarily as a place of public worship by a religious community including an official residence also registered in the name of that community, which is occupied by an office bearer who officiates at services at that place of public worship;
- 11.1.5 All local municipal properties excluding those properties that are leased or rented;
- 11.1.6 Parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act which are not developed or use for commercial, as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such a reserve, park or botanical garden within the meaning of the National Environmental Management Biodiversity Act 2004, which are not developed or used for commercial, agricultural or residential purposes, excluding buildings ancillary to the operation of the protected area;
- 11.1.7 The exclusion from rates of a property referred to in subsection 11.1.6 lapses if the declaration of that property as a special nature reserve, national park, or national botanical garden or as part of such a reserve, park or botanical garden is withdrawn in terms of the applicable Act mentioned in that sub-section;
- 11.1.8 If the property in respect of which the declaration is withdrawn is privately owned, the owner, upon withdrawal of the declaration becomes liable to the municipality concerned for any rates that, had it not been for subsection 11.1.6 would have been payable on the property during the period commencing from the effective date of the current valuation roll

of the municipality. If the property was declared as a protected area after the effective date of the current valuation roll, rates are payable only from the date of declaration of the property;

- 11.1.9 The amount for which an owner becomes liable in terms must be regarded as rates in arrears and the applicable interest on that amount is payable to the municipality;
- 11.1.10 Paragraphs 11.1.6.1 and 11.1.6.2 apply only if the declaration of the property was withdrawn because of:-
- 11.1.11 A decision by the private owner for any reason to withdraw from the agreement concluded between the private owner and the state in terms of the Protected Areas Act, and in terms of which the private owner initially consented to the property being declared as a protected area; or
- 11.1.12 A decision by the state to withdraw from such agreement because of a breach of the agreement by the private owner.

PART 12. CONSTITUTIONALLY IMPERMISSIBLE RATES

- 12.1 The Act provides that in terms of Section 229(2)(a) of the Constitution a Municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice:-
 - 12.1.1 National economic policies;
 - 12.1.2 Economic activities across its boundaries; or
 - 12.1.3 The national mobility of goods, services, capital or labour.

PART 13 EXEMPTIONS GRANTED TO CATEGORIES OF OWNERS

- 13.1 The Municipality has resolved to exempt from the payment of rates the following categories of owners of properties:
 - 13.1.1 Properties owned by public benefit organizations which are used for any specific public benefit activities listed in Part 1 of the 9th Schedule to the Income Tax Act;
 - 13.1.2 Properties owned by owners registered as non profit organizations.
- 13.2 All applications for relief shall be granted on an annual basis
- 13.3 In order to qualify for relief in 13.1.1 and 13.1.2, all applicants shall comply with the following requirements:

- 13.3.1 Written applications for relief must be lodged in the prescribed format with the Municipal Manager (between July and November of the preceding financial year) dates determined by the Council;
- 13.3.2 *In the case of public benefit organizations upon proof of:*
- 13.3.2.1 Registration in terms of the requirements of the Income Tax Act;
- 13.3.2.2 An affidavit signed by the head of the public benefit organization or non profit organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the said public benefit organization;
- 13.4 In the case of properties owned by non profit organizations upon proof of submission of:
- 13.4.1 An affidavit signed by the head of the non profit organization before a Commissioner of Oaths that the property is used for the aims and objective of the said non- profit organization;
- 13.4.2 that no private pecuniary profit is made from the property;
- 13.4.3 that no rent is received by the applicant for any use of the property by other persons.
- 13.5 The Municipality reserves the right to specify such other requirements as the municipality deems necessary from time to time.

PART 14. NEWLY RATED PROPERTY

Category A

- 14.1 The rates payable on **newly rateable** properties will be phased in over a period of three financial years with the full rates account to be paid in the fourth financial year.

APPLICABLE PROPERTY RATES FOR PROPERTIES TO BE PHASED IN OVER THREE YEARS	
Year	Percentage Rates Payable
First	25%
Second	50%
Third	75%
Fourth	100%

Category B

- 14.2 Property registered in the name of a land reform beneficiary must be phased in after the exclusion period in section 17(1) (g) of the Act;
- 14.3 property owned by *Public Benefit Organizations* must be phased in over a period of four financial years provided that the Municipality may extend this period on written application to the MEC.

The phasing in period is set out in the following table.

APPLICABLE RATES FOR PROPERTIES TO BE PHASED IN OVER FOUR FINANCIAL YEARS	
Year	Percentage Rates Payable
First	Zero%
Second	25%
Third	50%
Fourth	75%
Fifth	100%

PART 15. REDUCTIONS IN THE VALUE OF A PROPERTY

- 15.1 It is recorded that the municipality is precluded in terms of section 17(1)(h) of the Act from levying rates on the **first R15 000** of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a residential category:-
- 15.1.1 for residential properties only.
- 15.2 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted on an ad hoc basis where the value of a property is affected by:-
- 15.2.1 a disaster within the meaning of the Disaster Management Act (Act 67 of 2002); or
- 15.2.2 the reduction will be in relation to a certificate issued for this purpose by the municipal valuer.
- 15.3 any other serious adverse social or economic conditions considered by the Council as meritorious.

PART 16. REBATES FOR PROPERTY, USE AND OWNERSHIP CATEGORIES

16.1 The municipality can consider rebates to the following stated categories
Schedule of the property, use and ownership categories for which rebates can be considered:

A	General category	Rebate
	Residential	Zero, except for newly rateable properties under section 21(1) (a) of the Act.
	Commercial and industrial	Zero
	Agriculture Special provisions are applicable to agricultural rebates as per clause 17.6 below	As prescribed by the act.
	Ecotourism properties	30%
	Hospitality properties	30%
B	Category by owners	
	Pensioner/s	100% subject to indigent policy requirements
	Retiree/s	100% subject to indigent policy requirements
	Disabled persons	100% subject to indigent policy requirements
	Registered Indigent persons	100%
	<u>Deferment</u> Owners subject to serious adverse social or economic conditions	Maximum of 50% subject to timeous lodging of an application and relevant supporting documentation
C	Categories by property usage (Non-profit organisations)	
	Property used exclusively for health purposes as a hospital, clinic and mental hospital,	First 30% market value of rateable property
	Property used exclusively by Welfare Institutions as an orphanage, non-profit old age home.	First 30% market value of rateable property
	Property belonging to or used by	First 30% market value of rateable

educational institutions declared or registered by law including crèches	property
Property used by an organization whose main purpose is to use the property for sporting purposes on a non-professional and non profitable basis	First 30% market value of rateable property
Property used for cultural activities by cultural organisations	First 30% market value of rateable property
Properties used by institutions whose exclusive aim is to protect animals	First 30% market value of rateable property
Property owned or used by organisations for the provision of youth leadership or development programmes	First 30% market value of rateable property
Property used by an agricultural association that is affiliated to a provincial or national recognised agricultural union	First 30% market value of rateable property

- 16.2 Organisations or Institutions listed under **category C** above will have to apply annually for relief/ rebate of up to 100% as may be determined by the Council periodically.
- 16.3 Application must be lodged in terms of the indigent policy within the period of application therein.
- 16.4 Application must be lodged with the municipality on the prescribed form provided by the municipality together with the following information:
- 16.4.1 Registration as a non-profit organization or proof of an application submitted for that purpose;
- 16.4.2 Proof of registration and certification of good standing with SARS.
- 16.4.3 Affidavit by the head of the organization that the property is used primarily for the specific public benefit activities and purposes of the organisation;
- 16.5 any other supporting documents specified by the municipality from time to time.
- 16.6 When considering the criteria to be applied in respect of any exemptions, rebates and reductions on properties used for agricultural purposes, a municipality must take into account:

- a) the extent of services provided by the municipality in respect of such properties;
- b) the contribution of agriculture to the local economy;
- c) the extent of which agriculture assists in meeting the service delivery and development obligations of the municipality; and
- d) the contribution of agriculture to the social and economic welfare of farm workers.

NOTE: In addition to the foregoing, the first R60 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1) (h) of the Property Rates Act.

PART 17. RECOVERY OF RATES

17.1 The following people shall be liable for the payment of rates levied by the Municipality:

17.1.1 owner of a property;

17.1.2 joint owners of a property, who shall be liable jointly and severally;

17.1.3 the owner of a sectional title unit; and

17.1.4 in relation to agricultural properties:

17.1.4.1 any one joint owner of the agricultural property for all the rates levied on the agricultural property; or

17.1.4.2 each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the Municipality may choose in relation to agricultural properties.

17.2 In terms of Section 26 of the Act the Municipality will recover rates:

17.2.1 on a monthly basis and must be paid on or before last day of the following month from the date of the statement; or

17.2.2 annually, as may be agreed with the owner of the property, on or before the 30st day of November in the financial year

17.3 The Municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.

- 17.4 A Municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of Section 28 of the Act.
- 17.5 A Municipality may recover rates due, either whole or in part, from the agent of the owner if this is more convenient for the Municipality and in terms of Section 29 of the Act.

PART 18. CONSOLIDATION AND APPORTIONMENT OF PAYMENTS

- 18.1 Separate accounts of persons liable for payment to the municipality for either rates or services may be consolidated in one account and any appropriation of payments will be done in accordance with the municipality's credit control policy.
- 18.2 Accounts to be furnished are as follows:
- 18.2.1 The municipality will furnish each person liable for the payment of rates with a written account which will specify:
- 18.2.1.1 the amount due for rates payable,
- 18.2.1.2 the date on or before which the amount is payable
- 18.2.1.3 how the amount was calculated
- 18.2.1.4 the market value of the property,
- 18.2.1.5 the rate-randage applicable
- 18.2.1.6 any form of relief, phasing-in of rates if applicable
- 18.3. A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality.

NOTE: If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality revenue section.

- 18.4 In the case of joint ownership the municipality shall consistently, in order to minimize 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.
- 18.5 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 use category 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.

- 18.6 In addition where the error occurred because of false information provided by the property owner or as a result of a contravention of the use category of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the *18 percent per annum*.
- 18.7 A property owner who submitted an appeal against the value of his/her property to the Valuation Appeal Board, remains responsible for the payment of the rates as calculated on the existing valuation roll until such time as the appeal board decision on the value of property. The owner will then be expected to either pay the additional rates if the property value is increased or will be refunded by the municipality if the value is decreased. The payment or refund will be payable as from the commencement of the financial year.

PART 19. DEFERMENT OF RATES

- 19.1 The Municipality will on application defer the payment of rates in terms of section 26(3) of the Act under the following special circumstances:
- 19.1.1 If a ratepayer is temporarily out of employment;
- 19.2 An applicant for deferment of rates shall substantiate his/her application with an affidavit confirming his/her employment status;
- 19.2.1 The municipality will recoup deferred rates;
- 19.2.2 Application must be made annually in writing on the prescribed form:
- 19.2.2.1 not later than the final date for payment of such rates provided that the council may in special circumstances grant a deferment of the payment of rates after the final date for such payment notwithstanding that such application was made after such final date for payment;
- 19.3 Deferment will be considered provided that the total amount of all rates so deferred together with accumulated interest accumulated thereon shall

not at any time **exceed 50%** of the value of the property concerned as shown in the valuation roll.

- 19.4 The final date for payment of the rates on the property concerned shall not be affected by reason of any application for deferment in terms of sub-clause 19.2 above, provided that if the council allows such application, the portion of the rates in respect of which payment is deferred shall be refunded to the applicant.
- 19.5 The accumulated amount of the deferred rates shall bear interest at a rate determined from time to time by the council and the council may also approve the waiver of such interest.
- 19.6 Only the current year's rates can be considered for deferment and then only if the Applicant's rates are not in arrears.
- 19.7 Any deferment granted in terms of this policy shall terminate immediately:
 - 19.7.1 upon the death of the registered owner; provided that the council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
 - 19.7.2 upon the expropriation, sale or other disposal of the property concerned;
 - 19.7.3 upon the owner ceasing to reside permanently on the property concerned;
 - 19.7.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment; and
 - 19.7.5 on expiry of the period of deferment.

PART 21. COMMUNITY PARTICIPATION

- 20.1 This Municipality will comply with its community participation and consultation obligations in terms of Chapter 4 of the Municipal Systems Act and Sections 4 and 5 of the Act before the Rates Policy or any review thereof is finally adopted. In terms of chapter 4 of the Municipal systems Act, 2000 (Act No. 32 of 2000) the Municipality is committed to:
 - 20.1.1 Building capacity of the local community to enable it to participate in the affairs of the Municipality; and

- 20.1.2 To foster community participation for which the municipality will allocate funds in its budget for such processes.
- 20.2 The Participation by the local community in municipal affairs will take place through the political structures; the mechanisms, processes and procedures for participation in municipal governance and any other appropriate mechanisms processes and procedures established by the municipality and generally to apply the provisions for participation as required by this Act.
- 20.3 The municipality will provide for:
 - 20.3.1 the receipt processing and consideration of petitions, objections and comments lodged by the members of the local community;
 - 20.3.2 public meetings and hearings by the municipal council and other political structures (e.g. ward committees) and political office bearers of the municipality;
 - 20.3.3 consultative sessions with locally recognized community organizations and where appropriate, traditional leadership.
- 20.4 Communication with the public relating to the Rates Policy will be in terms of section 4(2) of the act by notice in:
 - 20.4.1 local newspapers circulating in its area and determined by this council as a newspaper of record; and/or
 - 20.4.2 official notice boards and other public places accessible to the public including the library and the municipal offices;
 - 20.4.3 on the municipal website (*if applicable*);
and inviting the local community to submit comments and representations within the time specified in the notice.