



VICTOR KHANYE LOCAL MUNICIPALITY

**RATES POLICY
1 JULY 2024 - 30 JUNE 2025**

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1. INTRODUCTION

The Local Government Municipal Property Rates Act 2004 Act 6 of 2004 (Herein after referred to as the MPRA) requires municipalities to develop, adopt and implement a rates policy in consistent with the provisions of Section 3(1) of the of the MPRA as well as Section 62(1) (f) (ii) of the Municipal Finance Management Act, 2003, Act No. 56 of 2003 (Herein after referred to as the MFMA).

The municipality needs a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities and building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDP) and municipal budgets.

Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDP) and budget processes, which a municipality invites communities to input prior municipal council adoption of the budget.

The rates policy is the outcome of a community participation process followed in terms of the provisions of Section 4 of the of the MPRA and final adoption by the Council and sets out the policy of the Victor Khanye Local Municipality for levying rates on ratable property. In applying its rates policy, the Council shall adhere to all requirements of amongst other the MPRA and MFMA including any regulations promulgated in terms of these acts'

The municipality will as part of each annual operating budget impose a rate in the rand on the market value of all ratable properties as recorded in the municipality's valuation roll(s). Ratable property shall include any rights registered against such property, with the exception a mortgage bond. Generally, all land within a Council area is ratable unless it is specially exempted as set out in section 15 of the MPRA. Such exemption includes cemeteries, amateur sport grounds and properties owned by welfare organization.

A municipality must adopt a rating policy which sets out the broad policy framework, within which the Council rates its area (Section 3), and must annually review and if necessary amend its rates policy (Section 5)

2. LEGISLATIVE FRAMEWORK

- 2.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 2.2 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.
- 2.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a 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 any regulations promulgated in terms thereof; and
 - iii. the rates policy.
- 2.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on property.
- 2.5 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.
- 2.6 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 2004) and any regulations promulgated in terms thereof from time to time.

3. DEFINITIONS

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned is subject to that contained in the Act.

Act	Means the Local Government: Municipal Property Rates Act,
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 [a] the property for the purpose of eco-tourism or for the trading in or hunting of game

By-law	A municipal by-law may be enforced only after it has been published in the official gazette of the relevant province.
Date of valuation	Means the date determined by a municipality in terms of section 31 (1)
Day	means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;”;
Effective date	In relation to a valuation roll means the date on which the valuation roll takes effect in terms of section 32, or b. in relation to a supplementary valuation roll, means the date on which a supplementary roll takes effect in terms of section 78
Exclusion	In relation to a municipality 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
Indigent	Means any household that is legally resident in the Country and reside in Victor Khanye Local Municipality's jurisdictional area, who due to a number of economic and social factors is unable to pay Municipal basic services and registered as indigent in terms of the Indigent
Happy Letter	Happy Letter means a Letter of Satisfaction which is required by an institution to the PURCHASER and which confirms that the PURCHASER has accepted possession of the unit
Local Municipality	Means 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

Mining property	means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002(Act No. 28 of 2002);
Multiple purpose	in relation to a property, means the use of a property for more than one purpose, subject to section 9
Municipal valuer or valuer of a municipality	Means a person designated as a municipal valuer in terms of section 33
Market Value	In relation to a property means the value of the property determined in accordance with section 46
Municipal property	Means all properties of which the municipality is the owner or which property vests in the municipality but excludes such property owned by or vested in the municipality which is used for residential, business and commercial and/ or industrial purposes and municipal properties has a corresponding meaning

Owner	<p>'owner'-</p> <ul style="list-style-type: none">(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:<ul style="list-style-type: none">(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;
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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
pensioner	means a person whom - is at least than 60 years of age on date of application
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 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
Place of public worship	means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is— (a) registered in the name of the religious community; (b) registered in the name of a trust established for the sole benefit of a religious community;
Property	Means; '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 Benefits Organization	Means an organization conducting specified public benefit activities as defined in section 30 of the income Tax Act 1962 (Act No 58 of 1962) and registered in terms of the income Tax Act for Tax reductions because of those activities

<p>Public service infrastructure</p>	<p>Publicly controlled infrastructure of the following kinds</p> <ul style="list-style-type: none"> 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 and 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 of 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 communication system serving the public g. Runways or aprons on the air traffic control unit at national or provincial airports; including the vacant land known as the obstacle free zone surrounding these, which must be vacant for the air navigation purpose. h. Break waters/sea walls channels basins, quay walls and jetties roads, railway or infrastructure used for the provision of water/lights/power/sewer or similar services of ports or navigational aids comprising light houses/radio navigation 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. A right registered against immovable property in connection with infrastructure mentioned in paragraph (a) to (i)
<p>Public service purpose</p>	<p>ACT in relation to the use of a property, means property owned and used by an organ of state as—</p> <ul style="list-style-type: none"> (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, <p>but excludes property contemplated in the definition of ‘public service infrastructure’</p>
<p>Protected Area</p>	<p>An area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act, 2003.</p>
<p>Rate</p>	<p>Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution</p>
<p>Ratable property</p>	<p>Means property on which a municipality may in terms of section 2 levy a rate excluding property fully excluded from the levying of rates</p>

	in terms of section 17
ratio	in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category
Rebate	In relation to a rate payable on a property means a discount granted in terms of section 15 of 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

Residential property	means a property included in a valuation roll in terms of section 48(2)(b) [as residential;] in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;”.
Sectional title act	Means the sectional titles Act 1986 (Act 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 sectional titles 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 the 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 22 of 1994)
Vacant Land	Means all properties zoned in or in respect of which permitted use is for residential/business/agricultural/ state owned and are undeveloped, vacant and are within the a proclaimed township or a land development area
Zoning	Means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in any applicable Town Planning Scheme and “zoned” has corresponding meaning. Where the property carries multiple zoning rights , the categorization of such property will be determined by apportioning the market value of the property , in a manner as may be prescribed to the different purposes for which the property is used and applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments

4. Purpose

The purpose of the policy is

- (1) To comply with the provisions set out in section 3 of the Act
- (2) To determine the criteria to be applied for
 - (a) Levying differential rates for different categories of properties
 - (b) Exemptions relating to specific category of owners of properties, or owners of a specific category of properties; (c) Rebates and reductions (d) Rate increases
- (3) To determine or provide the criteria for the determination of:
 - (a) Categories of properties for the purpose of levying different rates:
And
 - (b) Categories of owners of properties or categories of properties for the purposes of granting of exemptions, rebates, and reductions
- (4) Determine how the municipality's power must be exercised in relation to properties which are to be categorized for multiple purposes
- (5) Identify and provide reasons for
 - (a) Exemptions, Rebates and reductions
 - (b) Exclusions
 - (c) Where provided for by the minister of for Local Government, rates on properties must be phased in
- (6) Take into account the effects of rates on the poor and provide appropriate measures to alleviate the rates burden on them
- (7) Take into account the effect of rates on organizations conducting public benefit activities
- (8) Take into account the effect of rates on public service infrastructure.
- (9) Determine measures to promote local economic development and social development
- (10) Identify ratable properties that are not rated

5. STRATEGIC FOCUS

In determining the rate on property, exemptions, rebates and reductions the Council has considered the following:

- 5.1 The impact of rates on the community;
- 5.2 The impact of rate on businesses;
- 5.3 The current economic climate;
- 5.4 The integrated development plan (IDP) of the municipality;
- 5.5 The Local Economic Development Objectives of the municipality; and
- 5.6 Mitigate major shocks to ratepayers when moving from a site rating system to rating on the total value (land and buildings) of a property.

6. ANNUAL ADOPTION OF THE POLICY

- 6.1 The rates policy will be reviewed annually, in compliance with section 5(1) of the MPRA and according to the time schedule tabled by the mayor in terms of section 21(1)(b) of the MFMA. Community participation will take place in

accordance with chapter 4 of the Local Government. Municipal Systems Act,2000(32 of 2000)

6.2 Community participation will take place in accordance with chapter 4 of the Local Government: Municipal System Act, Act 32 of 2000 and by following the processes as per sections 21A and 21B of the Municipal Systems Act, Act 32 of 2000 (as contained under section 5 of the Municipality Systems Act Amendment Act, Act 44 of 2003) as follows:

- As a document made public (S21A)
 - Displayed at the head and satellite offices and libraries of the municipality
 - Displayed on the municipality's official website (as per prescriptions contained under S21B)
 - Notified to the local community of the place, including website address, where detailed particulars can be obtained
 - Inviting the local community to submit written comments or representations to the municipality in respect of the published documents

6.3 The formal established forums representing a said category of rate payers must also be invited annually to the Council Meeting to be held for the purpose of approval of the Property Rates Policy provided that the information required in 4.2 is duly provided such established forms.

6.4 The policy will be approved with the annual budget in compliance with Section 24 of the MFMA.

6.5 The municipality will adopt and published a by-law in terms of section 162 of the constitution and section 12 and 13 of the MSA to give effect to the implementation rates policy.

7. KEY PRINCIPLES

The Municipality's Rates Policy (herein after referred to as "the/this Policy") is based on the following guiding principles:

- equity;
- affordability;
- poverty alleviation;
- social and economic development;
- financial sustainability; and
- cost efficiency.

8. Accounts to be furnished

A municipality must furnish each person liable for the payment of a rate with a written account specifying

- (a) The amount due for the rates payable
- (b) The date on or before which the amount is payable
- (c) How the amount was calculated.
- (d) The market value of the property
- (e) If the property is subject to any compulsory phasing-in discount in terms of section 21, the amount of the discount, and
- (f) If the property is subject to any additional rate in terms of section 22, the amount due for additional rates

(1A) A person liable for a rate must furnish the municipality with an address where correspondence can be directed to.

9. AMOUNT DUE FOR RATES – section 11

(1) A rate levied by a municipality on property must be an amount in the Rand-

- (a) on the market value of the property;
- (b) in the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value as contemplated in section 17(1)(a), or on such lower percentage as the Minister may determine in terms of section 17 (4); or
- (c) in the case of property to which section 17(l)(h) applies, on the market value of the property less the amount stated in that section, or on such other amount as the Minister may determine in terms of section 17(3).

(2) A rate levied by a municipality on properties with a market value below a prescribed valuation level may, instead of a rate determined in terms of subsection (1.), be a uniform fixed amount per property.

10. LIABILITYTY FOR RATES - Section 24-29 MPRA

10.1 A rate levied by the municipality on a property must be paid by the owner of the property, subject to Chapter 9 of the Municipal System Act

10.2 A municipality must furnish each person liable for the payment of a rate with a written account specifying-

- (a) The amount due for rates payable
- (b) The date on or before which the amount is payable
- (c) How the amount was calculated
- (d) The market value of the property
- (e) If the property is subject to any compulsory phasing-in terms of section 21, the amount of the discount; and
- (f) If the property is subject to any additional rate in terms of section 22, the amount due for additional rates.

10.3 Section 27(2) (2) A person is liable for payment of a rate whether or not that person has received a written account in terms of subsection (1). If a person has not received a written account, that person must make the necessary inquiries from the municipality.

10.4 If an amount due for rates levied is unpaid by the owner of the property, the Municipality may recover the amount from a tenant or occupier of the property;(in

line with the credit control)

10.5 Any person who is in position of a happy letter from the department of housing or permission to occupy certificate/letter will also be liable to pay rates on the property

10.6 The amount for rates may be recovered from the agent of the owner;

10.7 Where the rates levied on a particular property have been as a result of a Supplementary valuation in terms of Section 78(1) THE MPRA these rates will be payable from dates as contemplated in section 78(4)(a),(b),(c) and(d) of the MPRA;

Section 78.

(1) A municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any ratable property-

(a) incorrectly omitted from the valuation roll;

(b) included in a municipality after the last general valuation;

(c) subdivided or consolidated after the last general valuation;

(d) of which the market value has substantially increased or decreased for any

(e) substantially incorrectly valued during the last general valuation

(f) that must be revalued for any other exceptional reason

(g) of which the category has changed or

(h) the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error

10.8 Recovery of rates due will be in accordance with municipality's Debt Collection Policy (credit and debt control) and by-law and other applicable legislation

10.9 When transfer of property takes place, the incidence of the property rates falls as a charge on the new owner from the date of registration by the Registrar of Deeds.

10.10 Rates are levied on an annual basis at the start of the financial year as per section 12(1) of the MPRA, but for the convenience of ratepayers raised monthly on consolidated consumer accounts and payable within 15 days of the following month according to the payments due dates stipulated on the specific monthly accounts.

10.11 Annually levied property tax and tariffs may not be changed during a financial year except for the purpose of a financial recovery plan as per section 28(6) of the MFMA

10.12 Arrear payment on property rates at the monthly or annual due dates, are subject to interest.

11. VALUATION OF RATEABLE PROPERTIES

11.1 A general valuation of all ratable properties will be undertaken and a valuation will be compiled every 5 Years.

11.2 Effective day as determined by the act and the approval of the council

11.3 Supplementary valuations will be undertaken on an ongoing basis.

11.4 Supplementary Valuation rolls will be compiled once a year'

11.5 Amendments to the valuation roll to reflect changes to the owner, address, category, extent, description or other prescribed particulars (section 79), will be done annually and only electronic copy of the valuation roll will be updated.

12. LEVYING OF RATES

Section (7)(1)- When levying rates, a municipality must, subject to subsection (2), levy rates on all ratable property in its area

12.1 Differential Rates (CATEGORIES)

Section 8. (1) Subject to section 19, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of ratable property, which may include categories determined according to the

- (a) use of the property;
- (b) permitted use of the property;
- (c) a combination of (a) and (b)

The Municipal Valuer of Victor Khanye Local Municipality will be responsible for the categorizing of ratable properties and the maintenance thereof, and any change in the actual use of the property, may result in a change of categories.

Properties shall first of all be categorized in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.

If, for whatever reason, the status or zoning of a property cannot be determined in terms of the actual use shall then be determined in order to appropriately categorize such property.

All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.

The categories that are determined in terms of section 8(2) of the MPRA are:

Section 8 (2) A municipality must determine the following categories for ratable property in terms of subsection (1): Provided such property category exists within the municipal jurisdiction:

- (a) Residential properties;
- (b) industrial properties;
- (c) business and commercial properties;
- (d) agricultural purposes;
- (e) Mining properties
- (f) properties owned by an organ of state and used for public service purposes;

- (g) public service infrastructure;
- (h) properties owned by public benefit organizations and used for specified public benefit activities
- (i) properties used for multiple purposes, subject to section 9;or
- (j)any other category of property as may be determined by the minister, with the concurrence of the Minister of Finance, by notice in the Gazette
- (k) Vacant properties

MULTI PURPOSE

9. (1) A property used for multiple purposes must, for rates purposes, be assigned to a category determined by the municipality for properties used for- (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated; (c) multiple purposes in terms of section 8(2)(r)

(2) A rate levied on a property assigned in terms of subsection (1)(c) to a category of (a) apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property is used; and (b) applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value. apportionments.

Rates Tariffs

<u>Category</u>	<u>Tariff</u>
Residential	
Business	
Industrial	
Mining Activities	
Vacant Land	
Agricultural	
Public Benefit Organisations	
Public Service Infrastructure	

13. CRITERIA FOR RATING MULTIPLE USE PROPERTY

The following criteria are to be used:

- 13.1 By apportioning the market value of a property to the different purposes for which the Property is used, for
- 13.2 Applying the relevant cent amount in the Rand to the corresponding apportioned market value', applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments

14. CRITERIA FOR DIFFERENTIAL RATING ON DIFFERENT CATEGORIES OF PROPERTIES

The following has been taken into consideration for the purpose of differential rating:

- 12 .1 the nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes
- 12.2 vacant land will be rated higher (in terms of a Cent amount in a Rand) as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purpose by owners'
- 12.3 promotion of social and economic development of a municipality'
- 12.4 Differential rating among the various property categories will be done by way of setting different amount in the Rand for each property category rather than by way of reductions and rebates. This is much simpler for citizens to understand and thus promotes the principle of transparency.

15. RELIEF MEASURE RELATED TO CATEGORIES OF PROPERTIES AND OWNERS OF PROPERTIES

- 15.1 CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTION
Section 15 of the MPRA states that:

When granting in terms of subsection (1) exemptions, rebates or reductions in respect of owners of categories of properties, a municipality may determine such categories in accordance with section 8(2). and when granting exemptions, rebates or

reductions in respect of categories of owners of properties, such categories may include-

- (a) indigent owners;
- (b) owner's dependent on pensions or social grants for their livelihood;
- (c) owners temporarily without income;
- (d) 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) any other serious adverse social or economic conditions: determined by the municipality; or
- (e) owners of residential properties with a market value lower than R50 000 (RDP houses)
- (f) owners of agricultural properties who are bona Fide farmers
- (g) Properties used for public service purposes
- (h) Properties to which the national heritage resource Act 25 of 1991 and the cultural institutions Act 119 of 1998

15.2. GRANTING OF REBATES AND REDUCTIONS

- i. The exemptions, rebates and reductions will be considered after an application form which is to be provided by Council is accompanied by the following relevant documents are submitted:
 - ii. All applications must be addressed in writing;
 - iii. A SARS tax exemption certificate;
 - iv. Pension or social grant proofs including affidavit has been lodged with the municipality on an annual basis
 - v. These 'applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought.
 - vi. The municipality retains the right to refuse exemptions if the details and or accompanying documents are incomplete, incorrect and or false.

15.3. OTHER EXEMPTIONS

As determined in Section 17 of the Act

Other impermissible rates

17. (1) A municipality may not levy a rate on the first 30% of the market value of public service infrastructure;
- (f) on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1;
 - (g) 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;
 - (h) 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 category determined by the municipality-
 - (i) for residential properties; or
 - (ii) for properties used for multiple purposes, provided one or more
 - (i) 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.

(1A) The exclusion from rates of a property referred to in subsection (1) (b) lapses

- (a) if the property is alienated or let; or
- (b) if the exclusion from rates of a property lapses in terms of paragraph (a), the new owner or lessee becomes liable to the municipality concerned for the rates that, had it not been for subsection (1)(b), would have been payable on the property, notwithstanding section 78, with effect from the date of alienation or lease.

(2) (a) The exclusion from rates of a property referred to in subsection (l)(e) lapses if the declaration of that property as a special nature reserve, national park, nature reserve 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 subsection.

(b) 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 (1) (e), would have been payable on the property during the period commencing from the effective date of the current valuation roll of the municipality.

(c) 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.

(d) The amount for which an owner becomes liable in terms of paragraph (b) must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality.

(b) If the property in respect of which the declaration is withdrawn is privately owned, (d) Paragraphs (b) and (c) apply only if the declaration of the property was withdrawn 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 a decision by the state to withdraw from such agreement because of a breach of the agreement by the private owner. -

(3) The Minister, acting with the concurrence of the Minister of Finance, may from time to time by notice in the Gazette, increase the monetary threshold referred to in subsection (1)(z) to reflect inflation.

(4) The Minister may, by notice in the Gazette, lower the percentage referred to in subsection (l)(a), but only after consultation with-

(a) relevant Cabinet members responsible for the various aspects of public

(6) organized local government; and

(e) relevant public service infrastructure entities.
service infrastructure;

(5) (a) The exclusion from rates of a property referred to in subsection (l)(i) lapses if the property-

(i) is disposed of by the religious community owning it; or

(ii) is no longer used primarily as a place of public worship by a religious community or, in the case of an official residence contemplated in that subsection, is no longer used as such an official residence.

(b) If the exclusion from rates of a property used as such an official residence lapses,

the religious community owning the property becomes liable to the municipality concerned for any rates that, had it not been for subsection (l)(i), would have been payable on the property during the period of one year preceding the date on which the exclusion lapsed.

(c) The amount for which the religious community becomes liable in terms of

paragraph (b) must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality.

16. Criteria For Increasing of Rates

It is proposed that the following be taken into account for the purpose of increasing /decreasing rates:

- 16.2. Priorities of a municipality reflected in its IDP
- 16.3. The revenue needs of the municipality.
- 16.4. A need for management of rates shocks.
- 16.5. Affordability of rates to ratepayers.

17. LIABILITY FOR RATES BY PROPERTY OWNERS

17.2. Property rates payable by owners

In case of agricultural property owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the subdivision of the Agricultural Land Act, 1970 the municipality will treat the owner of such property for the purpose of liability for rates in the following manner;

The municipality has considered the following three scenarios:

SCENARIO 1

If the joint property owners are all available and are traceable, the issue of who is liable for rates will be dealt with in the context of whether they have entered into an agreement or not regarding payment of rates liabilities'

In a circumstance where joint owners of the agricultural property have an agreement among themselves that a specific joint owner is liable for all rates levied in respect of that agricultural property, a municipality will hold such a specific joint owner liable for all rates levied in respect of the agricultural property. Such an agreement must be in writing and signed by all affected parties, and a certified copy thereof must be submitted to the municipality.

In a circumstance where joint owners of the agricultural property have an agreement among themselves that each joint owner is liable for that portion or rates on that property that represent that joint owner's undivided share in the agricultural property, a municipality will hold each joint owner liable for their portion of rate levied on the agriculture property. Such an agreement must be in writing and signed by all affected parties, and a certified copy thereof must be submitted to the municipality.

In a circumstance where joint owners of the agricultural property have not

informed a municipality in writing as to who is liable for rates regarding agricultural property, a municipality will apply after 24(b)(i) or (ii) of the Act.

SCENARIO 2

If the joint property owners are not traceable with the exception of one joint owner and such joint owner is occupying or using the entire property of a significant larger portion of the entire property (e.g. 80%), the municipality will hold that joint owner liable for the total rates bill for that entire property.

SCENARIO 3

If the joint property owners are not traceable with the exception of one joint owner and such joint owner is occupying or using a small portion of the entire property, the municipality will hold that joint owner liable for that portion of rates levied on the entire property that represents that joint owner's undivided share in that property.

17.3. Method and time of Payment

- i. The municipality will recover rates on a monthly basis.
- ii. Annual rates must be paid in monthly instalments to the municipality at the end of each month.
- iii. A municipality makes provision for the recovery of rates on a monthly basis, subject to conditions outlined in the credit control policy of the municipality.

17.4. Deferral of payment of rates liabilities

The municipality will consider each and every application for deferral of rates, taking into account the merits and demerits of each and the financial implications thereof in so far as the cash - flow of the municipality is concerned.

18. RELIEF MECHANISMS

The Council may grant exemptions, rebates and reductions in recognition of Section 15(2) of the Property Rates Act.

18.2. Rebates

In relation to a rate payable on a property means a discount granted in terms of section 15 of the amount of the rate payable on the property

18.3. Exemptions:

- i. Rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 1978 (Act 100 of 1987);
- ii. Publicly controlled infrastructure as defined in the act;
- iii. Residential property that is occupied by the owner with a value below R50 000
- iv. Cemeteries and crematoriums which are registered in the names of private person and which are used exclusively for burials and cremations, as the case may be;

- v. 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;
- vi National monuments including ancillary business activities at national monuments;
- vii. 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 sec 1 of Social Aid Act (House of Assembly), 1989 (Act No 37 of 1989), and their families;
- viii Sports grounds used for the purposes of amateur sport and any social activities which are connected with such sport;
- ix. 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 a municipality to any such organization; etc
- x. Rateable property registered in the name of a declared institution as defined in section 1 of the Cultural Institutions Act, 1969 (Act No 29 of 1969), or the Cultural Institutions Act (House of Assembly), 1989 (Act No 66 of 1989);
- xi. Persons who have reached the age of 60 years or more during the financial year, and physically or mentally disabled people who can substantiate receipt of a social pension, or persons certified by the Medical Officer of Health as physically or mentally handicapped, subject to the following conditions:
 - a) Pensioner with income less than R 4 020 per month, 100% rebate
 - b) Pensioners with income between R5 620 and R4 021, 80% rebate
 - c) Pensioners with income between R7 420 and R5 621, 60% rebate
 - d) For pensioners who exceed the above threshold the rebate will be limited to 60%
 - e) The rateable property concerned must be occupied only by the applicant and his/her spouse, if any and by dependents without income or by people because of specific circumstances in the Chief Financial Officer' opinion;
 - f) There must be not more than two (2) dwelling - units on the rateable Property concerned;
 - g) The applicant must submit proof of his/her age and identity and, in the case of a physically handicapped person, also proof of the receipt of a social pensioner or, if not in receipt of such pension, proof of certified by a Medical Officer of Health;
 - h) The consumer's current account is paid in full; and
 - i) The property is categorized as residential
- xii All other properties as specified in terms of Section 17(1Xa) - (i) of the MPRA

The exemption in 17.3.1 to 17.3.15 will be granted after an application has been considered by the Valuation Roll or Section 15(2) (a) - (f) of the Property Rates Act'

19. AMOUNT DUE FOR RATES

A rate (cent amount in a Rand) will be reflected in the budget'

20. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into accounts public comments and inputs.

21. THE EFFECTIVE DATES OF THE RATES POLICY

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

22. CORRECTION OF ERRORS AND OMISSIONS

Section 78.

(1) A municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any ratable property-

- (a) incorrectly omitted from the valuation roll;
- (b) included in a municipality after the last general valuation;
- (c) subdivided or consolidated after the last general valuation;
- (d) of which the market value has substantially increased or decreased for any
- (e) substantially incorrectly valued during the last general valuation
- (f) that must be revalued for any other exceptional reason
- (g) of which the category has changed or
- (h) the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error