

PROPERTY RATES POLICY 2025/26

REVIEWED

INDEX

	<u>Page</u>
4. POLICY PRINCIPLES.....	1
5. SCOPE OF THE POLICY.....	3
6. APPLICATION OF THE POLICY	3
7. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES.....	3
7. CATEGORIES OF PROPERTY	4
8. CATEGORIES OF OWNERS	6
9. PROPERTIES USED FOR MULTIPLE PURPOSES	6
10. DIFFERENTIAL RATING	6
11. EXEMPTIONS	8
12. REDUCTIONS	9
13. REBATES.....	10
15. ACCOUNTS TO BE FURNISHED.....	15
17. SPECIAL RATING AREAS.....	16
19. COMMUNITY PARTICIPATION.....	18
20 REGISTER OF PROPERTIES	19
21. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY	19
22 REGULAR REVIEW PROCESSES.....	19
23 GENERAL REQUIREMENTS	20
24. ANNEXURE A.....	26

1. INTRODUCTION

The policy of Bushbuckridge Local Municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Municipal Finance Management Act (MFMA) including any regulations promulgated in terms of these acts.

The Rates Policy only rules the rating of valued property which are valued according to the Municipal Property Rates Act, Act 6 of 2004 and its regulations as published under Government Notice 1036 of 2006 in Government Gazette 29304 dated 18 October 2006 and does not rule or guide the processes of property valuation and approval of the valuation roll.

2. LEGISLATIVE CONTEXT

- 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 and section 162 of the Constitution.
- 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.
- 2.7. In terms of section 12 and 13 of the Local Government: Municipal Systems Act no.32 of 2000 as amended; the Bushbuckridge Local Municipal ("the municipality") hereby published the Property Rates By-laws set forth hereinafter, which have been made by the Municipality in terms of section 6 of the Local Government: Municipal Property Rates Act 6 of 2004

PART ONE: PREAMBLE

Whereas:

- I. It is enshrined in Section 229 of the Constitution (Act 108 of 1996) that a municipality may impose rates on property within a regulatory framework.
- II. The Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
 - 1.II.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
 - 1.II.2 Criteria for determination of categories of properties and differential rates for each category of properties;
 - 1.II.3 Criteria to be applied for granting rates relief measures;
 - 1.II.4 Levying of rates in sectional title schemes;
 - 1.II.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).
- III. In terms of section 4(1)(c)(ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with section 2 of the said Local Government Municipal Property Rates Act, the municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property. In terms of section 4(2) of the Local Government: Municipal Systems Act, 2000 (32 of 2000), council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to-
 - (a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;

- (b) Provide, without favour or prejudice, democratic and accountable government;
- (c) Encourage the involvement of the local community;
- (d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
- (e) Consult the local community about-
 - (i) The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
 - (ii) The available options for service delivery.
- (f) Give members of the local community equitable access to the municipal services to which they are entitled;
- (g) Promote and undertake development in the municipality;
- (h) Promote gender equity in the exercise of the municipality's executive and legislative authority;
- (i) Promote a safe and healthy environment in the municipality;
- (j) Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution; and

IV. Further, a municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.

V. In terms of section 62 of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.

3. DEFINITIONS

Definitions, words and expressions as used in the Act are applicable to this policy document where ever it is used;

“Act” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

“Municipal Council” means elected members of the local legislature in terms of Chapter 4: Municipal Structures Act no 117 of 1998;

“Municipality” means the municipality of Bushbuckridge Local Municipality MP325;

"Agricultural property". Means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game; in section 8(2)(d)(e),(i) and (f) in conjunction with (i) of the Act.

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

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

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

"Improvement" means any building or structure on or under a property, including:

- a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
- buildings, structures and equipment or machinery referred to in Section.

46(3) of the MPRA.

"Indigent" means debtors who are poor private residential households as defined by the municipality's policy on Free Basic Services and Indigent Support.

"Industrial" means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, Act 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.

"Municipal proclaimed land" means residential, business, institutional and or other permitted use, include proclaimed townships where the properties are not registered in the names of the occupant but permitted use is granted.

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

"Residential property" means improved property that:

- (a) is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) and specifically exclude vacant land irrespective of its zoning or intended use.

2.7 **"Surveyed Property"** means properties which are registered with the Surveyor General but are not yet registered with the South African Deeds Office.

4. POLICY PRINCIPLES

- 4.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 4.2. As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 8 and 9 of this policy. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 4.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 4.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
 - (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii. Supports local social economic development.
 - (d) Cost efficiency
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance

exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

5. SCOPE OF THE POLICY

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

6. APPLICATION OF THE POLICY

- 6.1. Council shall as part of each annual operating budget component, impose a rate in the rand on the market value of all rateable properties as recorded in the Municipality's Valuation Roll and Supplementary Valuation Rolls.
- 6.2. The Municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.
- 6.3 Rateable property shall include any rights registered against such property, with the exception of a mortgage bond, and shall further include property not yet registered at the South African Deeds Office but appearing on the maps of the Surveyor General.
- 6.4. All properties not yet surveyed will be required to make a flat rate contribution towards municipal infrastructure development at a rate determined by council from time to time.

7. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

- 7.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Mayor of the municipality, make provision for the following classification of services:-
- (a) Trading services
 - i. Water

- ii. Electricity
- (b) Economic services
 - i. Refuse removal
 - ii. Sewerage disposal
- (c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a) and (b).

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

8. CATEGORIES OF PROPERTY

8.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:- (note: categories only to be finalised after completion of valuation roll)

- 8.1.1. Residential properties;
- 8.1.2. Industrial properties;
- 8.1.3. Business properties;
- 8.1.4. Farm properties (including small holdings) used for:-
 - Commercial purposes;
 - Non commercial purposes.
- 8.1.5. Public Service Purposes - Government
- 8.1.6. Municipal Owned;
- 8.1.7. State trust land;
- 8.1.8. Multiple Use Purpose

8.1.9. Public Service Infrastructure

8.1.10. Public Benefit

8.1.11. Communal land as defined in section 1 of the Communal Land Rights Act of 2004;

8.1.12. Properties-

- acquired through the Provision of the Land and Assistance Act, 1993(Act 126 of 1993), or the Restitution of Land Rights Act, 1994 (Act 22 of 1994); or
- Properties subject to the Communal Property Associations Act, 1996 (Act 28 of 1996);

8.1.13. Properties owned by Public Benefit Societies;

8.1.14. Protected Areas: Nature reserves / National parks rate

- Protected Area Business
- Protected Area Residential Nature reserves / National parks rate

8.1.15. Agricultural

8.1.16. Undeveloped Land- Vacant Land

8.2. In determining the category of a property referred to in 7.1 the municipality shall take into consideration the following criteria or a combination thereof:-

- Use of the property
- Permitted use of the property ; or
- A combination of (a) (b).

8.3 In order to create certainty and to ensure consistency the criteria mentioned in 7.2 shall be applied as indicated below in order of priority and no deviation is permissible:-

8.3.1 Properties shall first of all be categorised in accordance with their usage.

8.4 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9 of this policy document.

9. CATEGORIES OF OWNERS

9.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 of this policy, the categories of owners of properties are determined as follows:-

- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
- (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
- (c) Owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. serious adverse social or economic conditions.
- (d) Owners of residential properties with a market value of R45 000 (Forty five Thousand Rand) or less; and
- (e) Owners of agricultural properties as referred to in clause 13.1 (e).
- (f) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

10. PROPERTIES USED FOR MULTIPLE PURPOSES

10.1 Rates on properties used for multiple purposes will be levied as follows:-

- (a) in accordance with the “permitted use of the property”.
- (b) In accordance with the “dominant use of the property” if (a) cannot be applied; or
- (c) In accordance with the “different uses” by apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

11. DIFFERENTIAL RATING

11.1. Criteria for differential rating on different categories of properties will be according to:-

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of social and economic development of the municipality.

11.2. Differential rating among the various property categories will be done by way of setting a different cent amount in the rand for each property category; and

11.3. By way of reductions and rebates as provided for in this policy document.

12. EXEMPTIONS

12.1 The following categories of property are exempted from rates:-

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

(b) Residential properties

The first R45 000, will be exempted

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

12.2 Exemptions will automatically apply and no application is thus required.

12.3 Impermissible Rates: In terms of section 17(1) of the Property Rates Act the municipality may, inter alia, not levy a rate:-

(a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, residential or agricultural purposes.

(b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.

(c) 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.

- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

12.4 Indigent owners are exempted from rates on condition that:-

- (a) Owners who qualify and are registered as indigents in terms of the adopted municipal indigent policy, will be exempted from rates.
- (b) The head of the family or owner of the property must apply on a prescribed application form to be considered for exemption as determined by the municipality from time to time.
- (c) Applications for indigent support must be accompanied by the following documents:-
 - i. a certified copy of the identity document or any other proof of the applicant's age which is acceptable to the municipality;
 - ii. sufficient proof of total household income;
 - iii. an affidavit from the applicant signed by commissioner of oath;
 - iv. Report from social workers;
 - v. Medical report;
 - vi. Any other document as may be required by the municipality.
- (d) All applications for indigent support will be dealt with in accordance with the municipality's indigent policy
- (e) The municipality reserves the right to grant or not to grant the exemption if the details supplied on the application form are incomplete, incorrect and/or false.

13. REDUCTIONS

13.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-

- 13.1.1 Partial to total destruction of a property to such an extent that it is totally uninhabitable.

13.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

13.2 The following conditions shall be applicable in respect of 13.1:-

13.2.1 The owner referred to in 13.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

13.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

13.2.3 A maximum reduction, to be determined on an annual basis, will be allowed in respect of both 13.1.1 and 12.1.2.

13.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

13.2.5 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

14. REBATES

14.1. Categories of property

(a) Business, commercial and industrial properties

i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:-

- a. Job creation in the municipal area;
- b. Creation of infrastructure for the benefit of the community;
- c. Empowerment of women, youth and people living with disability;

-
- d. Community development programmes; and
 - e. Small business development (Eg: SMMEs, etc)
 - ii. A rebate as annually determined by the municipality will be granted on application subject to:-
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - d. a municipal resolution.
 - iii. In determining the annual rebate the municipality shall take into consideration all relevant and applicable circumstances.
- (b) Public Service Infrastructure
On the first 30 % of the market value is not rateable.
- (c) Residential properties
The municipality grants a rebate as annually determined which applies to improved residential property that is:-
- i. used predominantly for residential purposes;
 - ii. registered in terms of the Sectional Title Act;
 - iii. owned by a share-block company; or
 - iv. a rateable residence on property used for or related to educational purposes.
- (d) Welfare institutions
The municipality grants a rebate as annually determined for properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates,
-

laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

(i) Museums, libraries, art galleries and botanical gardens

The municipality grants a rebate as annually determined for above mentioned property registered in the name of private persons, open to the public and not operated for gain provided that an application in the prescribed format is received not later than 31 October of each year.

(ii) Youth development organisations

The municipality grants a rebate as annually determined for property owned and/or used by organisations for the provision of youth leadership or development programmes provided that an application in the prescribed format is received not later than 31 October of each year.

(m) Animal welfare

The municipality grants a rebate as annually determined for property owned or used by organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis provided that an application in the prescribed format is received not later than 31 October of each year.

(n) Private Educational institutions

The municipality grants a rebate as annually determined for property used by educational institutions declared or registered by law provided that an application in the prescribed format is received not later than 31 October of each year.

(o) Charitable institutions

The municipality grants a rebate as annually determined for property owned or used by institutions or organisations whose aim is to perform charitable work on a not-for-gain basis provided that an application in the prescribed format is received not later than 31 October of each year.

13.2 Categories of owners

(a) Recipients of national pension and Disabled Persons Rate Rebate

- i. Recipients of national pension and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residence;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding an amount annually determined by the Municipality;
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- iii. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iv. 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.
- v. The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

- 13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.
- 13.4 The extent of the rebate in terms of 13.1, 13.2 and 13.3 shall annually be determined by the municipality and it shall be included in the annual budget.

14. PAYMENT OF RATES

- 14.1 The rates levied on the properties shall be payable:-
- (a) on a monthly basis; or
 - (b) annually, before 30 June each year.
- 14.2 the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;
- 14.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 14.4 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent policy of the Municipality.
- 14.5 Arrears rates shall be recovered from the owner in terms of section 28 and 29 of the Act as follows:-
- 14.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:-

14.5.1.1 From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;

14.5.1.2 From a tenant or occupier of the property, only after an attempt was made to collect it from an agent referred to in 14.5.1.1 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.

14.5.2 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by the owner of the property.

14.5.3 The notice referred to in 14.5.2 shall give the party concerned at least 14 calendar days to pay the outstanding rates.

14.6 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

14.7 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

15. ACCOUNTS TO BE FURNISHED

15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-

- (i) the amount due for rates payable;
- (ii) the date on or before which the amount is payable;

- (iii) how the amount was calculated;
- (iv) the market value of the property; and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

- 15.2 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. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

17. SPECIAL RATING AREAS

- 17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.
- 17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever a special rating is being considered:-
- 17.2.1 Proposed boundaries of the special rating area;
 - 17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
 - 17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;
 - 17.2.4 Proposed financing of the improvements or projects;
 - 17.2.5 Priority of projects if more than one;
 - 17.2.6 Social economic factors of the relevant community;
 - 17.2.7 Different categories of property;

- 17.2.8 The amount of the proposed special rating;
- 17.2.9 Details regarding the implementation of the special rating;
- 17.2.10 The additional income that will be generated by means of this special rating.
- 17.3 A committee consisting of 6 members of the community of who 3 shall be women will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 17.7 The municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

18. FREQUENCY OF VALUATION

- 18.1 The municipality shall prepare a new valuation roll every 5 (five) years, with the option to extend the validity of the valuation roll to 7 (Seven) years with the approval of the MEC for COGTA
- 18.2 Supplementary valuations will be done on a yearly basis to ensure that the valuation roll is properly maintained.

19. COMMUNITY PARTICIPATION

- 19.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:
- 19.1.1 Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries (and on the website).
 - 19.1.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection (property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a prescribed fee per copy). Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
 - 19.1.3 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.

20 REGISTER OF PROPERTIES

- 20.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:-
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
 - ii. Rebate or reduction in terms of section 15,
 - iii. Phasing-in of rates in terms of section 21, and
 - iv. Exclusions as referred to in section 17.
- 20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5 The municipality will update Part A of the register every 6 months during the supplementary valuation process.
- 20.6 Part B of the register will be updated on a continuous basis.

21. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

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

22 REGULAR REVIEW PROCESSES

- 22.1 The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with legislation.

23 GENERAL REQUIREMENTS

- 23.1 Council pledges to itself to limit each annual increase as far as practicable to the increase in the consumer price index over a period preceding the financial year to which the increase relates, except when the approved Integrated Development Plan of the municipality provides for a greater increase.
- 23.2 Handling of errors, queries and omissions:
- a) Where the rate levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use of the property concerned , the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission was detected back to the date on which rates were first levied in terms of the current valuation roll;
 - b) Where the error occurred because of false information provided by the property owner or as a result of the contravention of the permitted use of the property concerned, clause 23.2(a) will apply and interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation;
 - c) Where there are errors on the valuation roll or supplementary valuation roll affecting a greater portion of properties in a particular category of rateable properties, then Council may adopt a resolution to continue or not to continue levying rates on such category of properties, provided a thorough verification process has been conducted;
 - d) Where a resolution not to continue levying rates in terms of clause 23.2(c) then the levying of property rates for such category of properties may be suspended for a period not exceeding twelve (12) months depending on the nature and extent of the errors on the valuation roll;
- 23.3 This policy has been approved by the Municipality in terms of resolutiondated and comes into effect from 1 July

ANNEXURES

ANNEXURE- A

REBATES; REDUCTIONS AND EXEMPTIONS GRANTED BY THE MUNICIPALITY :

1. EXEMPTIONS :

Definition - To be freed from an obligation, duty or liability to which Others are subjected.

Public Benefit Organizations – The first R15,000.00 will be exempted from property rates billing.

Residential Properties* - The first R45, 000.00 will be exempted from property rates billing.

Residential Properties – Qualifying Indigent and old aged property owners are 100% exempted from property rates billing.

Public Service Infrastructure – The first 30% of this infrastructure is Exempted from property rates billing.

Public Worship Properties – Public worship properties and their official Residence is 100% exempted from property rates billing.

** Exemption on residential properties excludes vacant residential stands.*