



UMDONI LOCAL MUNICIPALITY

RATES POLICY

UMDONI LOCAL MUNICIPALITY



Department	Finance
Policy Name	Rates Policy
Policy Number	
Status	Policy
Date	
Approved By	
Date Approved	
Date Last Amended	
Date for Next Review	
Date Published on Intranet & Website	

PREAMBLE

Whereas sections 152(1)(b), 153(a) and 195(1) of the Constitution of the Republic of South Africa require local government to ensure the provision of services to communities in a sustainable manner whilst promoting the social and economic development of the community and in doing this, it must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community. The Municipality has an obligation to do this by observing the constitutional values enshrined in the Constitution by providing for the efficient, economic and effective use of the resources and providing services in an impartial, fair and equitable manner without bias.

In terms of section 229(1) of the Constitution of the Republic of South Africa a municipality may impose rates on property and surcharges on fees for services provided by or on behalf of the municipality. In terms of section 62 of the Local Government: Municipal Finance Management Act and section 3(1) of the Local Government: Municipal Property Rates Act a municipality is required to adopt and implement a rates policy that regulates the levying of rates by the Municipality.

PURPOSE

The purpose of this Policy is to:

- 1 Regulate the manner in which the Municipality levies rates on properties within the Municipality's jurisdiction.
- 2 Ensure that the Municipality imposes rates in an equitable, sustainable, fair and reasonable way.

REGULATORY FRAMEWORK

This Policy is guided by the following legislative framework:

- 1 The Local Government: Municipal Finance Management Act 56 of 2003 (and applicable Regulations)
- 2 The Local Government: Municipal Systems Act 32 of 2000 (and applicable Regulations)
- 3 Local Government: Municipal Property Rates Act 6 of 2004 (and applicable Regulations)
- 4 The Constitution of the Republic of South Africa, 1996
- 5 The Municipality's other policies such as the procurement, indigent and budget policies

Index

1. Definitions	7-16
2. General	16-17
3. Categories of Rateable Property	17-18
4. Deferment of rates	18-19
5. Phasing-in of certain rates	19
6. Amount due for rates	20
7. Commencement of rates	20
8. Differential Rating	20-22
9. Effect of rates on the poor	23
10. Multiple Purpose Properties	23
11. Levying of rates on property in sectional title schemes	23
12. Effect of rates on public benefit organisations	23
13. Effect of rates on public service infrastructure	24
14. Effect of rates on agricultural properties	24
15. Accounts	24-25
16. Rateable properties which will not be rated	25
17. Criteria for increasing or decreasing of rates	26
18. Categories of owners who may be entitled to relief	26
19. Exemptions	26-29
20. Reductions	30-31
21. Rebates	31-34
22. Applying for an exemption, reduction or rebate	35-38
23. Categories of property which may be entitled to relief	38

24. Register of properties	38
25. Implementation of this Policy and effective date	39-40

1 **Definitions**

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and:

- 1.1 **“Act”** means the Local Government: Municipal Finance Management Act 56 of 2003;
- 1.2 **“Accounting Officer”** means the Municipal Manager of the Municipality appointed in terms of section 82 of the Municipal Structures Act and the head of administration and accounting in terms of section 55 of the Municipal Structures Act;
- 1.3 **“Agricultural property”** means any property (land or buildings) that is used primarily for agricultural purposes or in respect of which there is currently an agricultural certificate issued by Municipal Valuer and without derogating from section 9 of the Municipal Property Rates Act, it excludes any portion that is used for commercial purposes such as hospitality of guests and excludes the trading in or hunting of game;
- 1.4 **“Agricultural purpose”** means the use of agricultural property and excludes the use of a property for purposes of ecotourism or for the trading in or hunting of game.
- 1.5 **“Annually”** means once every financial year;
- 1.6 **“Business or commercial”** property means *inter alia*:
 - (1) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity;
 - (2) property on which the administration of the business of private or public entities takes place;
 - (3) property used for the provision of commercial accommodation;
 - (4) property used by educational institutions;
 - (5) property used for operating a bed and breakfast establishment, a guest house or a hostel;
 - (6) property used by the State or any organ of State; or
 - (7) property excluded from any other category of property;
- 1.7 **“Chief Financial Officer or his delegate”** means an officer of the Municipality, designated by the Accounting Officer to be administratively in charge of the

financial affairs of the Municipality;

- 1.8 **“Child headed household”** means a household where both parents are deceased, terminally ill or absent and where all occupants of the property are children of the deceased and under the legal age to contract for services;
- 1.9 **“Commercial accommodation”** means lodging or board and lodging, together with domestic goods and services, in any house, flat, apartment, room, hotel, motel, Inn, guesthouse, bed & breakfast, boarding house, residential holiday resort establishment, time share, holiday accommodation, student accommodation, unit, chalet, tent, caravan, camping site or similar establishment which is regularly or systematically supplied for lodging or board and lodging purposes but excludes a domicile;
- 1.10 **“Council”** means the Municipal Council of the Municipality;
- 1.11 **“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;
- 1.12 **“Deemed owner”** means the occupant of a property previously governed by the repealed Administration of Black Estates Act, where the estate has not been finalised. Such occupant will be regarded as the deemed owner for the purposes of payment of a consolidated municipal account for that property. “Deemed ownership” does not confer any rights on the occupant other than the liability to pay the account and the possibility of a benefit from the Municipality’s programmes to assist the poor;
- 1.13 **“Disabled person”** means a person who qualifies to receive relief in terms of the Social Services Act 59 of 1992 or who has been certified by a medical practitioner appointed by Council (at the cost of the applicant) to be
- (1) disabled; and
 - (2) incapable of being employed or of engaging in business or a trade;
- 1.14 **“Domicile”** means the single residential property where a person has his/her permanent principal home to which he/she returns or intends to return and where he/she resides for at least 9 months in the year;
- 1.15 **“Dominant use”** in relation to a property means a property used for more than one purpose subject to section 9(1)(b) of the Municipal Property Rates Act and the following criteria apply:
- (1) the use that occupies greater than a third in relation to the square meter development of the property;

- (2) a dominant use approach may be applied to developed property located within the area of an approved town planning scheme granted in terms of any planning law;
- (3) the dominant use is the highest percentage use of all actual uses determined by gross building area;
- (4) the dominant use category of property will then be applied to the levying of rates.

Dominant use may not be used for communal property used for multiple purposes or property used for multiple purposes where there is a large surplus land component, or for property where there is rateable and non-rateable portions;

- 1.16 **“Education institutions”** as defined in the Schools Act Act 84 of 1996 including Schools and Independent Schools, Further Education and Training (FET) Colleges, as defined in the Further Education and Training Colleges Act 16 of 2006 and Early Childhood Development Centers (ECDs) functioning under the auspices of the National and or Provincial Department of Education
- 1.17 **“Emoluments attachment order”** means an order of a court of competent jurisdiction to deduct a certain amount from an owner’s salary;
- 1.18 **“External mechanism”** means provided in terms of a service delivery agreement between the Municipality and:
 - (1) a municipal entity;
 - (2) another municipality;
 - (3) an organ of state, including
 - (a) a water services committee established in terms of the Water Services Act 108 of 1997;
 - (b) a licensed service provider registered or recognised in terms of national legislation; and
 - (c) a traditional authority;
 - (4) a community based organisation or other non-governmental organisation legally competent to enter into such an agreement, or
 - (5) any other institution, entity or person legally competent to operate a business activity;

- 1.19 **"Financial year"** means the period that commences 01 July -30 June.
- 1.20 **"Guest house"** means a commercial accommodation establishment with a maximum of 20 beds available to guests;
- 1.21 **"Holiday accommodation"** means in relation to this Policy all residential properties privately owned and which are rented out periodically or exclusively for commercial accommodation;
- 1.22 **"Implementing Authority"** means the Accounting Officer or his nominee acting in terms of section 100 of the Municipal Systems Act;
- 1.23 **"Indigent person"** means a person who qualifies for indigent relief in terms of the Municipality's Indigent Policy;
- 1.24 **"Industrial property"** means property used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw material or fabricated parts in respect of which capital and labour are involved, and includes:
- (1) the production of raw products on the property;
 - (2) the storage and warehousing of products on the property; and
 - (3) any office or other accommodation on the same property the use of which is incidental to such activity.
- 1.25 **"Interest"** means the prime rate of interest charged by the Municipality's bankers on its primary bank account, as amended from time to time, plus 1%;
- 1.26 **"Internal mechanism"** means provided by:
- (1) a department or other administrative unit within its administration;
 - (2) any business unit devised by the Municipality, provided it operates within the Municipality's administration and under the control of the Council in accordance with operational and performance criteria determined by the Council; or
 - (3) any other component of its administration;
- 1.27 **"Land tenure right"** means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act 112 of 1991;
- 1.28 **"Mining property"** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act 28 of 2002;
- 1.29 **"Multiple purpose"**, in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Municipal Property Rates Act;

- 1.30 **“Municipal entity”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- 1.31 **“Municipal properties”** means properties registered in the name of the Municipality or which vest in the Municipality;
- 1.32 **“Municipality”** means Umdoni Local Municipality;
- 1.33 **“Municipal services”** means a service that the Municipality in terms of its powers and functions provides or may provide to or for the benefit of the community irrespective of whether:
- (1) fees, charges or tariffs are levied in respect of such a service or not; and
 - (2) such a service is provided, or to be provided, by the Municipality through and internal mechanism or by engaging an external mechanism;
- 1.34 **“Municipal Structures Act”** means the Local Government: Municipal Structures Act 32 of 2000;
- 1.35 **“Municipal Systems Act”** means the Local Government: Municipal Systems Act 32 of 2000;
- 1.36 **“Official”** means an employee of the Municipality;
- 1.37 **“Office bearer”** means in relation to places of public worship, the primary person who officiates at services at the place of worship;
- 1.38 **“Official residence”** means in relation to places of public worship:
- (1) a portion of the property used for residential purposes; and
 - (2) one residential property, if the residential property is not located on the same property as the place of worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;
- 1.39 **“Overdue account”** means any money overdue and payable by an owner in respect of an account, which has not been paid in full by due date;
- 1.40 **“Owner”** means
- (1) in relation to a property as defined, a person in whose name ownership of the property is registered;
 - (2) in relation to a right referred to in the definition of “property”, means a person in whose name the right is registered;

- (3) in relation to a time sharing interest contemplated in the Property Time-Sharing Control Act 75 of 1983, means the management association contemplated in the regulations made in terms of section 12 of the Property Time-Sharing Control Act;
- (4) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act 59 of 1980;
- (5) in relation to building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining, means the holder of the mining right or the mining permit;
- (6) in relation to a land tenure right referred to in 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
- (7) in relation to public service infrastructure referred to in 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 the Municipal Property Rates Act be regarded by a municipality as the owner of a property in the following cases:

- (a) a trustee, in the case of a property in a trust excluding state trust land;
- (b) an executor or administrator, in the case of a property in a deceased estate;
- (c) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (d) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (e) a curator, in the case of a property in the estate of a person under curatorship;
- (f) 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;
- (g) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (h) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or
- (i) 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

- 1.41 **“Publicly controlled”** means owned by or otherwise under the control of an organ of state, including -
- (1) a public entity listed in the Act;
 - (2) a municipality; or
 - (3) a municipal entity as defined in the Municipal Systems Act;
- 1.42 **“Owner of property in an area affected by a disaster”** means the owner of a property situated within an area affected by a disaster within the meaning of the Disaster Management Act 57 of 2002;
- 1.43 **“Property”** means:
- (1) immovable property registered in the name of a person/legal entity, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person/legal entity;
 - (2) a right registered against immovable property in the name of a person/legal entity, excluding a mortgage bond registered against the property;
 - (3) a land tenure right registered in the name of a person/legal entity or granted to a person/legal entity in terms of legislation; or
 - (4) public service infrastructure;
- 1.44 **“Pensioner”** means a person:
- (1) with a South African bar-coded identity document; and
 - (2) who receives a social pension; or
 - (3) over the age of 60 years; or
 - (4) who has retired prematurely from employment due to medical reasons.
- 1.45 **“Permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of -
- (1) any restrictions imposed by -
 - (a) a condition of title;
 - (b) a provision of a town planning or land use scheme; or
 - (c) any legislation applicable to any specific property or properties;

- (2) any alleviation of any such restrictions;
- 1.46 **“Person”** includes an organ of state;
- 1.47 **“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:
- (1) registered in the name of the religious community;
 - (2) registered in the name of a trust established for the sole benefit of a religious community; or
 - (3) subject to a land tenure right
- 1.48 **“Prescribe”** means prescribe by regulation in terms of section 83 of the Municipal Property Rates Act;
- 1.49 **“Property register”** means a register of properties referred to in section 25.
- 1.50 **“Public benefit organization property”** means a property where the dominant activity is listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the 9th Schedule to the Income Tax Act;
- 1.51 **“Publicly controlled”** means owned by or otherwise under the control of an organ of state, including:
- (1) a public entity listed in the Public Finance Management Act 1 of;
 - (2) a municipality; or
 - (3) a municipal entity as defined in the Municipal Systems Act;
- 1.52 **“Public service infrastructure”** means publicly controlled infrastructure of the following:
- (1) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
 - (2) 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;

- (3) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (4) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (5) railway lines forming part of a national railway system;
- (6) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (7) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free surrounding these, which must be vacant for air navigation purposes;
- (8) 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;
- (9) any other publicly controlled infrastructure as may be prescribed; or
- (10) a rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (1) to (9);

1.53 **“Public service purposes”** means in relation to the use of a property, property owned and used by an organ of state as:

- (1) hospitals or clinics;
- (2) schools, pre-schools, early childhood development centres or further education and training colleges;
- (3) national and provincial libraries and archives;
- (4) police stations;
- (5) correctional facilities; or
- (6) courts of law,

but excludes property contemplated in the definition of “public service infrastructure”;

1.54 **“Rate”** means the rates levied in terms of the Municipal Rates Act and section 229(1)(a) of the Constitution, expressed as cents in the rand;

- 1.55 **“Ratio”** mean in relation to section 19 of the Municipal Property Rates Act, 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;
- 1.56 **“Residential property”** means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Municipal Property Rates Act; and
- 1.57 **“Vacant land”** means land
- (1) on which no immovable improvements have been erected; or
 - (2) where the value added by immovable improvements is less than 10% of the value of the land with no immovable improvements on it.

2 General

- 2.1 The owner of a property shall be responsible for paying the rates levied on the property. Co-owners shall be jointly and severally liable for payment of the rates.
- 2.2 Rates shall be recovered from owners on a monthly basis in twelve near equal instalments. This shall include any supplementary rates. The Municipality may recover rates on an annual basis in cases of:
- (1) owners of property provided:
 - (a) an application is made to the Municipality on or before the 30th day of June of each year; and
 - (b) such annual amount shall be paid by the 30 day of September of each year; and
 - (2) National and Provincial Government owned property.
- 2.3 The payment of rates shall not be affected by reason of objections, an appeal or non-compliance with the Policy or Bylaw.
- 2.4 The Municipal Property Rates Act provides that rates must not be levied 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 for:
- (1) residential properties; or
 - (2) properties used for multiple purposes, provided one or more components of the property are used for residential purposes (see section 17(1)(h) of the Municipal Property Rates Act).

- 2.5 The Municipality may grant an additional reduction on the valuation of residential property in addition to that provided in this Policy, only by resolution of Council at its annual budget. This further reduction is aimed primarily at persons owning low-cost properties and is an integral part of the municipality's indigent relief measures.
- 2.6 The Municipality may not grant relief in respect of the payment of a rate:
- (1) to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in this Policy; or
 - (2) to the owners of properties on an individual basis.

3 Categories of Rateable Property

- 3.1 When levying rates the Municipality may distinguish between the following categories of properties:
- (1) business and commercial properties;
 - (2) farms used for agricultural purposes;
 - (3) farms used for commercial purposes;
 - (4) farms used for residential purposes;
 - (5) farms used for any other purpose other than those specified in paragraph 3.1 (2) to (4);
 - (6) industrial properties;
 - (7) informal settlements;
 - (8) land reform beneficiaries
 - (9) municipal properties;
 - (10) protected areas;
 - (11) places of worship;
 - (12) public service infrastructure properties;
 - (13) properties used for public service purposes;
 - (14) residential properties;

- (15) smallholdings used for agricultural purposes;
 - (16) smallholdings used for residential purposes;
 - (17) smallholdings used for any other purpose other than those specified in paragraph 3.1 (15) to (16);
 - (18) vacant land (which includes all vacant land irrespective of its zoning);
 - (19) mining properties.
- 3.2 The categories of property shall be determined according to its actual use, rather than its permitted use. The categorisation of a property based on its actual use is for rating purposes only and does not condone the actual use where this conflicts with the permitted use irrespective of zoning.
- 3.3 Properties used for multiple purposes shall for the purposes of rating, be categorized according to the provisions of paragraph 10 of the policy.
- 3.4 When levying rates, the Municipality must subject to this Policy levy rates on all rateable property in its area.

4 Deferment of rates

- 4.1 With effect from the date of implementation of the Municipal Property Rates Act (1 July 2008), the facility to defer rates for pensioners has been removed.
- 4.2 The following will apply to the rates previously deferred:
- (1) no new applications for deferment shall be accepted;
 - (2) rates that have already been deferred shall remain so deferred provided that the accumulated amount of deferred rates and interest may not exceed 50% of the value of the property concerned;
 - (3) the deferment will lapse upon:
 - (a) death of the owner, except where the property concerned has been inherited by and occupied by the surviving spouse;
 - (b) the expropriation, sale, disposal or alienation of the property; or
 - (c) the failure of the applicant to reside permanently on the property.

- (4) owners whose rates were previously deferred and who meet the qualifying criteria may apply for a pensioners reduction in terms of paragraph 18 below, for their current rates.
- (5) an application for the current reduction prevents future deferment.

5 Phasing-in of certain rates

5.1 The following rates must be phased in over a period of three financial years:

- (1) a rate levied on a newly rateable property;
- (2) a rate levied on a property described in paragraph 19.7(5) below after the exclusion period referred to in that paragraph;
- (3) a rate levied on a newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities must be phased in over a period of four financial years (if this period is extended by the MEC for local government in terms of section 21(5) of the Municipal Property Rates Act then that period extended for).

5.2 The phasing-in discount for properties referred to in paragraph 5.1(1) and (2) shall:

- (1) in the first year be at least 75% of the rate for that year otherwise applicable to the property;
- (2) in the second year be at least 50% of the rate for that year otherwise applicable to the property;
- (3) in the third year be at least 25% of the rate for that year otherwise applicable to the property.

5.3 No rate may be levied during the first year on properties referred to in paragraph 5.1(3). The phasing-in discount thereafter shall:

- (1) in the second year be at least 75% of the rate for that year otherwise applicable to the property;
- (2) in the third year be at least 50% of the rate for that year otherwise applicable to the property;
- (3) in the fourth year be at least 25% of the rate for that year otherwise applicable to the property.

6 Amount due for rates

6.1 A rate levied by the Municipality on property must be an amount in the Rand:

- (1) on the market value of the property;
- (2) in the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value, or on such lower percentage as the Minister may determine from time to time; or
- (3) in the case of property to which paragraph 2.4 applies, on the market value of the property less the amount stated in that paragraph, or on such other amount as the Minister may determine from time to time.

6.2 A rate levied by the Municipality on residential properties with a market value below a prescribed valuation level may, instead of a rate determined in paragraph 5.1, be a uniform fixed amount per property.

7 Commencement of rates

7.1 The levying of rates must form part of the Municipality's annual budget process as set out in Chapter 4 of the Act. The Municipality must annually at the time of its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.

7.2 A rate becomes payable-

- (1) as from the start of a financial year; or
- (2) if the Municipality's annual budget is not approved by the start of the financial year, as from such later date when the Municipality's annual budget, including a resolution levying rates, is approved by the provincial executive in terms of section 26 of the Act.

8 Differential Rating

8.1 The Municipality may levy different rates for different categories of rateable property. This means that different cents in the rand may be determined for each of the property categories referred to in paragraph 3.

Resolution levying rates

8.2 The Council shall by resolution, with a supporting vote of a majority of its members, determine the rates for every category of property as part of the annual operating budget process. A resolution levying rates must be annually promulgated within 60 days of the date of the resolution by publishing the resolution in the Provincial Gazette. The resolution must:

- (1) contain the date on which the resolution levying rates was passed;
- (2) differentiate between categories of properties; and
- (3) reflect the cent amount in the Rand rate for each category of property.

8.3 After passing the resolution, the Accounting Officer must without delay:

- (1) conspicuously display the resolution for a period of at least 30 days-
 - (a) at the Municipality's head and satellite offices and libraries; and
 - (b) if the Municipality has an official website or a website available to it as envisaged in section 21B of the Municipal Systems Act, on that website; and
- (2) advertise in the media a notice stating that-
 - (a) a resolution levying a rate on property has been passed by the Council; and
 - (b) the resolution is available at the Municipality's head and satellite offices and libraries for public inspection during office hours and, if the municipality has an official website or a website available to it, that the resolution is also available on that website.

8.4 The criteria for weighting the categories determined above, for the purpose of determining rates for each category, must include the following:

- (1) the perceived affordability factor for the different categories of property;
- (2) the strategic importance of a category of property with reference to the aims and objectives of the Municipality and the Government of the Republic as a whole (such as social, economic and developmental issues); and
- (3) prescribed ratios.

8.5 The criteria to be applied when applying differential rating are as follows:

- (1) differential rating must be applied in a manner which encourages social and economic development
- (2) commercial, industrial and mining properties should be rated at higher levels than residential properties
- (3) agriculture and public service infrastructure should be rated at lower levels than commercial properties, industrial properties, residential properties and mining properties because these properties are typically more sensitive to rates and typically employ large numbers of workers; and

- (4) vacant land should be rated at higher levels than developed land in order to encourage development and ultimately the growth of the rates base

Special rating areas

8.6 The Municipality may by resolution of its council-

- (1) determine an area within the Municipality as a special rating area;
- (2) levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
- (3) differentiate between categories of properties when levying an additional rate.

8.7 Before determining a special rating area, the Municipality must-

- (1) consult the local community on the proposed boundaries and improvement or upgrading of the area; and
- (2) obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

8.8 When the Municipality determines a special rating area, the Municipality-

- (1) must determine the boundaries of the area;
- (2) must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
- (3) must establish separate accounting and other record-keeping systems regarding-
 - (a) the revenue generated by the additional rate; and
 - (b) the improvement and upgrading of the area;
- (4) may establish a committee composed of persons representing the community in the area to act as a consultative and advisory forum for the Municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committees in the area, if the municipality has a ward committee or committees in the area

9 Effect of rates on the poor

- 9.1 The Municipality has considered the effect of rates on the poor.
- 9.2 In order to lessen the rates burden on the poor, residential properties shall enjoy a reduction on the first R75 000 of the market value of residential properties in terms of paragraph 20.
- 9.3 Indigent persons, pensioners and disabled persons may qualify for a further reduction that will be determined by resolution of Council subject to the terms of paragraph 20

10 Multiple Purpose Properties

- 10.1 A property used for multiple purposes must, for rates purposes, be assigned to a category in accordance with –
- (1) A purpose corresponding with the dominant use of the property for properties situated in the urban area of the municipality: or
- (2) multiple purposes, for properties situated in the rural area of the municipality 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

11 Levying of rates on property in sectional title schemes

- 11.1 A rate on property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme and not on the property as a whole.

12 Effect of rates on public benefit organisations

- 12.1 The Municipality has considered the effect of rates on public benefit organisations.
- 12.2 As set out in paragraph 21, taking into account the fact that rates on public benefit organisation properties are limited to 25% of residential properties, public benefit organization properties will not be subject to any additional rebates

13 Effect of rates on public service infrastructure

- 13.1 The Municipality has considered the effect of rates on public service infrastructure.
- 13.2 The Municipality believes that it is necessary to rate public service infrastructure in full (except for properties referred to in paragraphs 1.52(1), (2), (5), (7) and (8)) as provided for in section 17(1)(A) of the Municipal Property Rates Act given the Municipality's relatively small rates base and the high levels of poverty within the Municipality's area of jurisdiction
- 13.3 The prohibition on the levying of rates on public service infrastructure referred in in paragraph 1.52(1), (2), (5), (7) and (8) must be phased in over a period of five financial years as follows:
- (1) in the first year, be no more than 80 per cent of the rate for that year otherwise applicable to that property;
 - (2) in the second year, be no more than 60 per cent of the rate for that year otherwise applicable to that property;
 - (3) in the third year, be no more than 40 per cent of the rate for that year otherwise applicable to that property;
 - (4) in the fourth year be no more than 20 percent of the rate for that year otherwise applicable to that property; and
 - (5) in the fifth year, be no more than 10 percent of the rate for that year otherwise applicable to that property

14 Effect of rates on agricultural properties

- 14.1 The Municipality has considered the effect of rates on properties used for agricultural purposes.
- 14.2 As set out in paragraph 21, taking into account the fact that rates on agricultural properties are limited to 25% of residential properties, the Municipality has decided that agricultural properties will not be subject to any additional rebates.

15 Accounts

- 15.1 The Municipality must furnish each person liable for the payment of a rate with a written account specifying-
- (1) the amount due for rates payable;
 - (2) the date on or before which the amount is payable;
 - (3) how the amount was calculated;

- (4) the market value of the property;
 - (5) if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Municipal Property Rates Act, the amount of the discount; and
 - (6) if the property is subject to any additional rate in terms of section 22 of the Municipal Property Rates Act, the amount due for additional rates
- 15.2 A person liable for a rate must furnish the Municipality with an address where correspondence can be directed to.
- 15.3 A person is liable for payment of a rate whether or not that person has received a written account. If a person has not received a written account, that person must make the necessary inquiries from the municipality.
- 15.4 The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.
- 15.5 Separate municipal 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 Act

16 Rateable properties which will not be rated

- 16.1 The Municipal Property Rates Act provides that the Municipality must identify which of the following categories of property will not be rated:
- (1) properties owned by the Municipality;
 - (2) a right registered against immovable property other than a mortgage bond; and
 - (3) properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.
- 16.2 The Municipality has determined as follows in accordance with chapter 2 and section 7 of the Municipal Property Rates Act :
- (1) municipal properties will not be rated;
 - (2) public service infrastructure will be rated, subject to the rebate on the first 30% of the market value of such properties;
 - (3) rights registered against immovable property will not be rated; and

- (4) properties with legally insecure tenure will not be rated.

17 Criteria for increasing or decreasing of rates

- 17.1 It is proposed that the following be taken into account for the purpose of increasing/decreasing rates:
 - (1) priorities of a municipality reflected in its Integrated Development Plan;
 - (2) the revenue needs of the Municipality;
 - (3) a need for management of rates shocks; and
 - (4) affordability of rates to ratepayers.
- 17.2 The Municipality will, by resolution by Council, as part of each annual operating budget process, determine a rate in the rand for every category of property. In reaching this decision, the Municipality will be mindful of affordability for ratepayers.
- 17.3 The Municipality shall consider an increase or decrease on a yearly basis

18 Categories of owners who may be entitled to relief

- 18.1 The Municipality has determined the following categories of owners of property that may be eligible for exemptions, or reductions, subject to the terms of this Policy:
 - (1) indigent persons;
 - (2) child-headed households;
 - (3) disabled persons;
 - (4) pensioners;
 - (5) owners of property situated within an area affected by a disaster; and
 - (6) the owners of sectional title units/shareblocks.

19 Exemptions

- 19.1 An exemption is a total release from liability for the payment of rates for the applicable financial year.
- 19.2 This means that the owner of the rateable property concerned is completely absolved from paying rates for the applicable financial year.

19.3 The Municipality may, on application, exempt the owners of the following category of properties from the payment of rates:

- (1) vacant land owned in the name of a religious community¹; provided:
 - (a) there is no commercial activity on the property; and
 - (b) the community intends developing the land as a place of public worship within 5 years of the date of application; and
- (2) properties owned by public benefit organisations²; provided
 - (a) the public benefit organization properties meet the requirements of paragraph 1.50;
- (3) properties owned by the Municipality³, but excluding:
 - (a) properties leased by the Municipality to third parties; and
 - (b) properties sold by the Municipality to third parties, where possession is given to the buyer pending registration of ownership into the name of the buyer;
 - (c)
- (4) public service infrastructure properties⁴;
- (5) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property⁵;
- (6) properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices⁶.

19.4 For the sake of clarity, it is recorded that public benefit organisations which provide rights of occupation, as contemplated in the Housing Development Schemes For Retired Persons Act 65 of 1988, or any similar so called life rights, are not entitled to exemption in respect of public benefit organization properties unless 60% or more of the persons holding such rights qualify as indigent persons in terms of the Municipality's Indigent Policy

19.5 The Municipality may also exempt the following category of owners of categories of properties:

- (1) indigent owners;
- (2) owners dependent on pensions or social grants for their livelihood;
- (3) owners temporarily without income;

- (4) owners of property situated within an area affected by -
 - (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - (b) any other serious adverse social or economic conditions;
 - (5) owners of residential properties with a market value lower than an amount determined by the Municipality; or
 - (6) owners of agricultural properties who are bona fide farmers
- 19.6 Furthermore, in terms of section 16 of the Municipal Property Rates Act the Municipality may not levy rates which would materially and unreasonably prejudice-
- (1) national economic policies;
 - (2) economic activities across its boundaries; or
 - (3) the national mobility of goods, services, capital or labour.
- 19.7 Furthermore, in terms of section 17 of the Municipal Property Rates Act the Municipality may not levy rates on:
- (1) the first 30% of the market value of public service infrastructure;
 - (2) any property referred to in paragraph 1.52(1), (2), (5), (7) and (8) of the definition of “public service infrastructure”;
 - (3) on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No, 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004 (Act No, 10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes;
 - (4) on mining rights or a mining permit within the meaning of the Mineral and Petroleum Resources Development Act 28 of 2001, excluding any building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining;
 - (5) on a property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses-
 - (a) ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds; or
 - (b) upon alienation of the property by the land reform beneficiary or his or her heirs, dependants or spouse;

- (6) on a property registered in the name of and 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 the office bearer of that community who officiates at services at that place of worship

19.8 The exclusion from rates of a property referred to in paragraph 19.7(2) 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 paragraph

- (1) 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 paragraph 19.7(2), would have been payable on the property, notwithstanding section 78 of the Municipal Property Rates Act, during the period commencing from the effective date of the current valuation roll of the Municipality.
- (2) 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.
- (3) The amount for which an owner becomes liable in terms of paragraph 19.8 (1) and (2) must be regarded as rates in arrears, and the applicable interest on that amount is payable to the Municipality.
- (4) Paragraphs 19.8 (1), (2) and (3) apply only if the declaration of the property was withdrawn because of-
 - (a) 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
 - (b) a decision by the state to withdraw from such agreement because of a breach of the agreement by the private owner.

19.9 The Municipality may apply, in writing, to the Minister to be exempted from paragraph 19.7(1), (3), (5) if it can demonstrate that an exclusion in terms of the relevant paragraph is compromising or impeding its ability or right to exercise its powers or to perform its functions within the meaning of section 151(4) of the Constitution.

- (1) Any exemption granted by the Minister must be in writing and shall be subject to such limitations and conditions as the Minister may determine.

20 Reductions

- 20.1 The Municipality may, on application, grant a reduction on rates payable by indigent persons, pensioners and disabled persons.
- 20.2 In order to alleviate poverty amongst persons owning low-cost properties and in order to encourage home ownership, the Municipality has granted an additional R60 000 reduction on the value of residential properties as defined in paragraph 2.4. This means that the owner of a residential property will not pay rates on the first R75 000 of the market value of the property. In recognition of the fact that the owners of vacant properties do not directly benefit from municipal services in respect of those properties, the Municipality has granted a R15 000 reduction on the value of vacant properties.
- 20.3 In order to qualify for a reduction which will be determined by resolution of Council, an indigent person, a pensioner, or a disabled person must:
- (1) be the sole owner or “deemed owner” of the property or own the property jointly with his or her spouse;
 - (2) be living permanently on the property;
 - (3) the value of the property must not exceed a value as determined by the Municipality at its annual budget;
 - (4) not own any other property as defined in the Municipal Property Rates Act; and
 - (5) **have an aggregate household income not exceeding R6 000 per month.**
- 20.4 In the case of a trust then in order to qualify for the reduction all the trustees must individually meet all of the above criteria and a copy of the Title Deed must be produced.
- 20.5 In the case of a usufruct or other personal servitude, then in order to qualify for the reduction the servitude must be registered over the whole property, the holder of the personal servitude must meet all of the above criteria and a copy of the Title Deed must be produced. Where there is more than one holder of the servitude then the reduction will be granted jointly on one property only.
- 20.6 Executors and/or administrators of deceased estates, liquidators and trustees are excluded from the obtaining a reduction.
- 20.7 The reduction will lapse:
- (1) on death of the applicant;

- (2) on application for a Revenue Clearance Certificate which results in the alienation of the property;
- (3) when the applicant ceases to reside permanently on the primary property;
- (4) when the trustee/s no longer meet(s) the qualifying criteria;
- (5) when the holder of the personal servitude no longer meets the qualifying criteria; or
- (6) if applications are not renewed annually

20.8 Child headed households:

- (1) Child headed households may upon application receive a rebate, as determined by a resolution of Council at its annual budget, from a date as determined by the Chief Financial Officer.
- (2) This reduction will lapse:
 - (a) when the minor reaches the age of majority;
 - (b) on alienation of the property;
 - (c) when the minors ceases to reside permanently on the property;
 - (d) if the Department of Social Development no longer regards the household as being child headed.
 - (e) if applications are not submitted annually - late applications may be reinstated with effect from the next practical billing cycle

21 **Rebates**

21.1 A rebate is a discount on the amount of rates payable on a property.

21.2 The Municipality may, on application, grant a rebate on rates payable in respect of qualifying new large-scale residential developments (as defined below) to both developers and to the subsequent owners of residential erven or residential units in those developments.

21.3 The aim of this rebate is to encourage large-scale residential development within the area of jurisdiction of the Municipality.

21.4 Large-scale residential developments and the developer's incentive rebate :

- (1) A property developer may be granted the large-scale residential developer's incentive rebate ("**the developer's incentive rebate**") if he, she or it undertakes a qualifying new large-scale property development.

- (2) The developer's incentive rebate applies to the property or properties making up that development, provided that the development consists of not less than 300 residential erven or residential units and meets the other requirements of this Policy.
- (3) The following criteria must be met in order to qualify for consideration for the developer's incentive rebate:
 - (a) the development must comprise of either a residential township or a residential sectional title scheme consisting of not less than 300 residential erven or residential units, as the case may be; and
 - (b) development approval must have been granted by the Municipality after the date of promulgation of this Policy in the Provincial Gazette; and
 - (c) the developer must have bound him, her or itself in a written services agreement, to the satisfaction of the Municipality, to
 - (A) install, maintain and provide all municipal services to the development ("the services agreement");
 - (B) establish a homeowner's association or other similar entity (unless the development is a sectional title scheme); and
 - (C) handover to the relevant body corporate, homeowner's association or other similar entity the obligation to maintain and provide all municipal services to the development in perpetuity.
- (4) The developer's incentive rebate shall be at a reducing rate, so as to allow full rates to be phased in over a period of six years. The rebate shall be as follows:
 - (a) Year 1: 83,33%
 - (b) Year 2: 66,67%
 - (c) Year 3: 50%
 - (d) Year 4: 33.33%
 - (e) Year 5: 16.67%
 - (f) Year 6: 0%

- (5) The relevant periods in respect of the developer's incentive rebate shall be calculated:
- (a) Year 1 - from the date on which the Municipality granted approval of the application for the developer's incentive rebate to the end of that municipal financial year; and
 - (b) Thereafter - from the beginning of each municipal financial year.
- (6) The development may consist of:
- (a) more than one erf, provided that the development comprises a unified whole; and
 - (b) other land uses, in addition to residential use, provided that there are not less than 300 residential erven or residential units.
- (7) The developer's incentive rebate shall not be granted or, if already granted, shall lapse in entirety with immediate effect if the developer:
- (a) commits a material breach of the services agreement and remains in breach despite due written notice; or
 - (b) defaults on due payment of any municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, interest or penalties and remains in default despite due written notice (regardless of whether these amounts are due in respect of the properties comprising the development in question or any other property or properties); or
 - (c) The developer, in respect of the development in question, contravenes or fails to adhere to the applicable conditions of establishment, the relevant land use management plan, the National Building Regulations or any other by-law.
- (8) The developer's incentive lapses in respect of any particular erf or section as from the date of registration of transfer of each erf or section into the name of a third party in the deeds registry.

21.5 Large-scale residential developments and the owner's incentive:

- (1) the owner of a residential dwelling or a residential unit in a new large-scale residential development may be granted the large-scale residential owner's incentive rebate ("**the owner's incentive rebate**").
- (2) the following criteria must be met in order to qualify for consideration for the owner's incentive rebate:
 - (a) the development concerned must have qualified for and been granted a developer's incentive rebate;

- (b) the development must be a residential township or residential sectional title scheme comprising not less than 300 residential erven or residential units
 - (c) development approval must have been granted by the Municipality after the date of promulgation of this Policy in the Provincial Gazette; and
 - (d) the relevant body corporate, homeowner's association or other similar entity must have bound itself in a written services agreement, to the satisfaction of the Municipality, to provide and maintain all municipal services to the development in perpetuity; and
 - (e) the owner must have constructed a dwelling on the residential erf or residential unit concerned and have been issued with an occupation certificate in respect of that erf or unit.
- (3) The owner's incentive rebate shall be 25%, which rebate shall apply on an indefinite basis unless it lapses.
- (4) The development property may consist of:
 - (a) more than one erf, provided that the development comprises a unified whole; and
 - (b) other land uses, in addition to residential use, provided that there are not less than 300 residential erven or residential units.
- (5) The owner's incentive rebate shall not be granted or, if already granted, shall lapse in entirety with immediate effect if:
 - (a) the relevant body corporate, homeowner's association or other similar entity commits a material breach of the services agreement and remains in breach despite due written notice; or
 - (b) the relevant body corporate, homeowner's association or other similar entity defaults on due payment of any municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, interest or penalties and remains in default despite due written notice; or
 - (c) the owner of the residential dwelling or residential unit concerned defaults on due payment of any municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, interest or penalties and remains in default despite due written notice (regardless of whether these amounts are due in respect of a residential dwelling or residential unit comprising the development in question or any other property).

22 Applying for an exemption, reduction or rebate

22.1 Exemptions, reductions and rebates are granted on an annual basis and expire at the end of the financial year in question.

22.2 The following requirements apply:

- (1) Written applications for any financial year must be lodged in the prescribed format with the Accounting Officer on or before 30th day of June in the year preceding that financial year.
- (2) In the case of public benefit organization properties:
 - (a) proof of registration as a public benefit organisation and a tax exemption certificate issued by the South African Revenue Services (SARS) in terms of the requirements of the Income Tax Act;
 - (b) an affidavit signed by the head of the public benefit organisation before a Commissioner of Oaths stating that the public benefit organization property concerned is used primarily for the specified public benefit activities, namely the activities listed in items 1, 2 and 4 of Part 1 of the ninth schedule to the Income Tax Act (i.e. welfare and humanitarian services, health care services, and educational and development services); and
 - (c) a copy of a title deed issued by the Deeds Registry within the last 2 months reflecting that the public benefit organization property is registered in the name of the public benefit organisation.
 - (d) The applicant must own the property;
 - (e) the Accounting Officer or his/her delegate must approve all applications.
 - (f) the Municipality retains the right to refuse an exemption if the details supplied on the application form are incomplete, incorrect or false;
 - (g) the use of the property, or any part thereof shall not be for the private pecuniary benefit of any individual, whether as a shareholder in a company or otherwise
 - (h) if during the currency of any financial year, the property of any part thereof is used for any purpose other than the purpose for which it was so exempted, the Municipality shall impose rates thereon or on such portion so used, at a rate proportionate to

the period of such use;

- (i) the applicant shall not be state owned; and

(3) In the case of religious communities, in respect of vacant land:

- (a) an affidavit signed by the local head of the religious community before a Commissioner of Oaths stating that–
 - (A) the religious community intends developing the vacant land as a place of public worship within 5 years of the date of application; and
 - (B) the religious community has, with a view to developing the land as a place of public worship, made application to rezone the property as a place of public worship (assuming that it is not already appropriately zoned)
- (b) a copy of the rezoning application submitted by or on behalf of the religious community to rezone the vacant land to a place of public worship (unless it is already appropriately zoned); and

(4) In the case of an indigent person, a pensioner, or a disabled person:

- (a) an affidavit signed before a Commissioner of Oaths stating that the applicant lives permanently on the property; that the applicant does not own any other property; that the applicant is the sole owner of the property or owns the property jointly with his or her spouse; and that the applicant's aggregate **household income does not exceed R6 000 per month**;
- (b) provide proof of identity in the form of an identity document;
- (c) supporting documents providing proof of income; and
- (d) if the application is based on disability, proof that the applicant qualifies for relief in terms of the Social Services Act or a medical certificate; and
- (e) if the application is based on pensioner status, proof that the applicant is at least 60 years of age.

(5) In the case of a child headed household:

- (a) the terminally ill or absent parent, the child or the deceased estate of the parent as aforesaid must be the owner of the property;
- (b) the application must be accompanied by confirmation from the

Department of Social Development that the above criterion have been met; that the property is one that is a child headed household and birth certificates of minors residing on the property;

- (c) if the parent is deceased:
 - (A) a copy of the letter of executorship or administration of the deceased estate;
 - (B) a copy of the liquidation and distribution account showing transfer of the property to the minors;
 - (C) the death certificate of the parent;
- (d) if the parent is terminally ill, a certified copy of the medical report confirming his status;
- (e) the minors must reside permanently on the property;
- (f) the value of the property must not exceed a value as determined by a resolution of Council at its annual budget;
- (g) applications must be renewed annually by the Department of Social Welfare

22.3 Applying for an exemption, reduction or rebate:

- (1) In the case of residential townships or residential sectional schemes consisting of not less than 300 residential dwellings or residential units:
 - (a) in respect of the developer's incentive rebate, the following documents need to be submitted:
 - (A) a copy of the relevant development approval;
 - (B) a copy of the services agreement between the developer and the Municipality;
 - (C) a copy of the title deed of the property or properties comprising the development; and
 - (b) in respect of the owner's incentive rebate, the following documents need to be submitted:
 - (A) a copy of the relevant development approval;
 - (B) a copy of the services agreement between the relevant

body corporate, homeowner's association or other similar entity and the Municipality;

- (C) a copy of the occupation certificate in respect of the applicant's residential erf or residential unit.

- (2) The Municipality may, from time to time, prescribe additional requirements to support an application for exemption, reduction or rebate.

23 Categories of property which may be entitled to relief

23.1 In respect of properties used for agricultural purposes, the Municipality has taken into account the following:

- (1) the extent of services provided by the Municipality to agricultural properties;
- (2) the contribution made by agriculture to the local economy; and
- (3) the extent to which agriculture assists in meeting the Municipality's service delivery and development obligations and contributes to the social and economic welfare of farm workers.

Taking into account the fact that rates on agricultural properties are limited to 25% of residential properties, the Municipality has decided that agricultural properties will not be subject to any additional rebates.

24 Register of properties

24.1 The Municipality must draw up and maintain a register in respect of properties situated within the Municipality, consisting of a Part A and a Part B.

- (1) Part A of the register consists of the current valuation roll of the Municipality, including any supplementary valuation rolls of the Municipality prepared in terms of section 78 of the Municipal Property Rates Act.
- (2) Part B of the register must specify which properties on the valuation roll or any supplementary valuation rolls are subject to-
 - (a) an exemption from the rate in terms of section 15 of the Municipal Property Rates Act;
 - (b) a rebate on or a reduction in the rate in terms of section 15 of the Municipal Property Rates Act;
 - (c) a phasing-in of the rate in terms of section 21 of the Municipal Property Rates Act; or
 - (d) an exclusion referred to in section 17(1)(a), (e), (g), (h) and (i) of the Municipal Property Rates Act.

- (3) The register must be open for inspection by the public during office hours and displayed on that Municipality's website.
- (4) The Municipality must at regular intervals, but at least annually, update Part B of the register. Part A of the register must be updated in accordance with the provisions of the Municipal Property Rates Act relating to the updating and supplementing of valuation rolls

25 Implementation of this Policy and effective date

- 25.1 Before the Municipality adopts this Policy, the Municipality must follow a process of community participation in accordance with chapter 4 of the Municipal Systems Act.
- 25.2 The Accounting Officer must:
 - (1) conspicuously display the draft of this Policy for a period of at least 30 days prior to adoption:
 - (a) at the Municipality's head and satellite offices and libraries; and
 - (b) on the Municipality's website; and
 - (2) advertise in the media a notice stating-
 - (a) that a draft Policy has been prepared for submission to the Council; and
 - (b) that the draft Policy is available at the Municipality's head and satellite offices and libraries for public inspection during office hours and the Municipality's official website; and
 - (c) inviting the local community to submit comments and representations to the Municipality concerned within a period specified in the notice which may not be less than 30 days.
 - (3) The Council must take all comments and representations made to it or received by it into account when it considers the draft Policy.
- 25.3 This Policy takes effect on the date of the first valuation roll prepared by the Municipality in terms of the Municipal Property Rates Act, and must accompany the Municipality's budget for the financial year concerned when the budget is tabled in the Council in terms of section 16(2) of the Act.
- 25.4 The Municipality shall prepare a valuation roll in terms of the Municipal Property Rates Act (sections 30 – 79 and Chapters 1 to 10 of the Regulations, 2006) which shall accompany the Municipality's budget for the financial year. In accordance with section 78 of the Municipal Property Rates Act the Municipality may publish a number of supplementary valuation rolls during the year and the rates, as adjusted

by the supplementary valuation roll, shall be levied accordingly.

- 25.5 This Policy must be reviewed annually, and if necessary amended by Council, such amendments to be effected in conjunction with the Municipality's annual budget in terms of sections 22 and 23 of the Act.
- 25.6 The Municipality has adopted by-laws to give effect to the implementation of this Rates Policy and such by-laws must be read in conjunction with this policy. The by-laws may be reviewed annually, and if necessary be amended by the Council, in conjunction and in accordance with this Policy

Date of adoption: 2019-20 draft

The Council of the Umdoni Local Municipality resolves to adopt the following as the official Rates Policy of the Umdoni Local Municipality.

This Policy has been considered and approved by the Council of the Umdoni Local Municipality as follows:

- Resolution No:
- Approval Date:

APPROVED:

Dr V P Tsako
Municipal Manager