

MUNISIPALITEIT KAREEBERG MUNICIPALITY



FINAL MUNICIPAL PROPERTY RATES POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

NC074 Kareeberg Municipality

AO Accounting Officer

CFO Chief Financial Officer

MAY Mayor

IBT Inclining Block Tariff

MFMA Municipal Finance Management Act

MPRA Municipal Property Rates Act and MPRA Amendments Act

MSA Municipal Systems Act

NCA National Credit Act

SAPOA South African Property Owners Association

SARS South African Revenue Services

VAT Value Added Tax

1. PURPOSE OF THIS DOCUMENT

This purpose of this Policy is to set out the guiding principles and legislative requirements that governs the compilation and management of the municipal Valuation Roll. This policy should at all times be read together with the Municipal Property Rates Act, 2004 AND the Municipal Property Rates Amendments Act, 2015.

2. DEFINITIONS

In this policy, definitions, words and expressions have the same meanings as assigned to them in the Act, unless the context indicates otherwise: –

“Act” – means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004) and any amendment thereof;

“annually” – means once every financial year;

“business and commercial property” – means –

- (a) 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; or
- (b) property on which the administration of the business of private or public entities take place;
- (c) [property used for the generation of renewable energy](#)
- (d) [property used for eco-tourism or for the trading in or hunting of game](#)
- (e) [property used for transient accommodation such as Guest houses](#) which is used for the purpose of supplying lodging and meals to transient guests for compensation, for non-permanent residents (overnight guests)
- (f) [Square Kilometre Array \(SKA\) property](#)

“Calendar year” shall mean 12 consecutive months of a financial year(s);

“category” –

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

“Council’s commonage”

- (a) Where Council leased out commonage to emerging farmers, rental rates plus Value Added Tax (VAT) will be applicable as determine by Council Commonage Policy .

“conservation area” –

- (a) a protected area as listed in section 10 of the Protected Areas Act, 2003;
- (b) a nature reserve established in accordance with the Nature and Environment Conservation Ordinance, no 19 of 1974; or

- (c) any land area zoned as open area zone III in accordance with the Municipality's zoning scheme regulations;
- provided that such protected areas, nature reserves or land areas, with the exception of tourism facilities that may be erected thereupon, be used exclusively for the conservation of the fauna and flora and the products of those land areas may not be traded for commercial gain;

"dominant use"

Pursuant to section 3 (3) (d) of the Act, it is the policy of the municipality to exercise its powers in terms of section 9(1) of the Act in relation to properties used for multiple purposes by assigning a property use for the multiple purpose to a category based on the purpose corresponding with the **dominant used of** the property where such dominant use is either industrial or Commercial. Where the dominant use is any other, the property will be valued and rated using the apportionment in terms of section 9(2) of the Act.

"exclusion" – in relation to a Municipality's rating power, means a restriction of that power as provided for in

section 16 is the matter for exercising power whereas section 17 of the Act is the exclusion; Section 17 prescribed exclusions as outline in the Act will apply

"exemption" - in respect of the calculation of a rate means an exemption granted in this policy in terms of section 15(1)(a) of the Act;

"farm property or small holding used for agricultural purpose" – means:

- (a) property that is used for the cultivation of soils for purposes of planting and gathering in of crops;
- (b) forestry in the context of the planting or growing of trees in a managed and structured fashion;
- (c) the rearing of livestock or the propagation and harvesting of fish;
and may include such properties within the urban edge of the town, but excludes:
 - (i) the use of a property for the purpose of eco-tourism;
 - (ii) the trading in hunting of game;
 - (iii) accommodation of members of the public for gain;
 - (iv) any portion of the property used for the purposes of hospitality of guests or other commercial activities concomitant to the exclusions listed herein

"Renewable Solar Energy farm or property" – means agricultural land as defined in the Subdivision of Agricultural Land Act, 70 of 1970, on which energy producing solar energy panels

have been erected for the purpose of generating electricity, but which are dually used for agricultural purposes as defined under “agricultural use”, which are dually utilised and includes all land situated in the demarcated municipal area.

“Wind Farms” – means agricultural land as defined in the Subdivision of Agricultural Land Act, 70 of 1970, on which energy-producing windmills or wind turbines have been erected for the purpose of generating electricity, but which are dually used for agricultural purposes as defined under “agricultural use”, and includes all land situated in the demarcated municipal area.

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

“industrial property” – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

“local community” – in relation to the Municipality –

- (a) means that body of persons comprising –
 - (i) the residents of the Municipality;
 - (ii) the rate payers of the Municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and
 - (iv) visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and

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

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

“multiple purposes” – in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Act;

“municipal council” or **“council”** – is a municipal council referred to in section 18 of the Municipal Structures Act, 1998 (Act No 117 of 1998);

“municipal manager” – means a person appointed in terms of section 82 of the Municipal Structures Act, 1998 (Act No 117 of 1998);

“municipal property” – is property registered or established in the name of the Kareeberg Municipality including investment property in the Fixed Asset Register vs Vesting Property: substance over form;

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

“open space” - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;

“owner”- includes sections (bA)(bB)(bC) of the Amendments MPRA Act

- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to paragraph (b) of the definition of “property” means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property” means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure, as envisaged in the definition in the Act of the term “publicly controlled” provided that a person mentioned below may for the purposes of this Act be regarded by a Municipality as the owner of a property in the following cases:-
 - (i) a trustee, in the case of a property in a trust, excluding state trust land;
 - (ii) an executor or administrator, in the case of a property in a deceased estate (the applicant must produce a letter from the Master of the Court or appropriate legal proof to substantiate the appointment);
 - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
 - (v) a curator, in the case of a property in the estate of a person under curatorship;
 - (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude (the applicant must produce a letter from the Master of the Court or appropriate legal proof to substantiate the appointment);

- (vii) a lessee, in the case of a property that is registered in the name of a Municipality and is leased by it;
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“permitted use” – in respect of a property means the limited purposes for which a property may be used in terms of the following –

- (a) any restrictions imposed by –
 - (i) a condition of title; or
 - (ii) a provision of a town planning or land use scheme; or
 - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

“private open space” means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area and which is zoned as Private Open Space;

“property” – means

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

“property register” – a register of properties referred to in section 23 of the Act;

“public benefits organisation” means an organisation conducting specified public benefit activities as defined in the act and registered in terms of the Income Tax Act for tax reductions because of tis activities.

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

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

“rebate” – in relation to a rate payable on a property, means a discount granted in terms of section 15(1)(b) of the Act on the amount of the rate payable on the property;

“reduction” - in respect of a rate payable on a property, means the lowering in terms of section 15(1)(b) of the amount for which the property was valued and the rating of that property at that lower amount;

“residential property” – means improved property that:-

- (a) is used 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.
- (b) is a unit registered in terms of the Sectional Title Act, 1986, (Act no.95 of 1986) and is used predominantly for residential purposes;
- (c) is owned by a share-block company and is used predominantly for residential purposes;
- (d) is a residence used for residential purposes situated on a property used for educational purposes;
- (e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;

Vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, **specifically excluded from this property category;**

“small holding” - means

- (a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or
- (b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less;

“public service infrastructure” – means publicly controlled infrastructure of the following kinds as defined in the Act.

“public services purposes” – property owned and used by an organ of state for rendering of a service directly to the public such as Health, education, police stations, court of law **but** exclude property contemplated in the definition of **“Public Service Infrastructure”**

“Property used by Organ of State” – excludes any properties owned and used by an organ of state (excluding Kareeberg Municipality) and Not used for public service purposes as defined in the Act

“vacant property” – means any land without any fixed or permanent improvements or immovable improvable thereon excepts when such improvements are to secure the property such as a boundary wall.

“Valuation roll” - means the general valuation roll 2018 with effective date 01 July 2018 and date of valuation 01 July 2017

3. OBJECTIVES OF THE POLICY

The objectives of this policy are: –

- 3.1 to comply with the provisions of section 3 of the Act;
- 3.2 to determine criteria to be applied for –
 - 3.2.1 levying differential rates for different property categories;
 - 3.2.2 exemptions;
 - 3.2.3 reductions;
 - 3.2.4 rebates; and
 - 3.2.5 rate increases.
- 3.3 to determine or provide criteria for the determination of the following –
 - 3.3.1 property categories for the purpose of levying different rates; and
 - 3.3.2 categories of owners of properties for the purpose of granting exemptions, rebates and reductions;
- 3.4 to determine how the Municipality’s power should be exercised in terms of multiple-used properties;
- 3.5 to identify and quantify the following for the Municipality in terms of costs and the benefit for the community
 - 3.5.1 exemptions, rebates and reductions; and
 - 3.5.2 exclusions.
- 3.6 to take into account the effect of rates on the indigent;

- 3.7 to take into account the effect of rates on organisations that perform activities for public benefit;
- 3.8 to take into account the effect of rates on the public services infrastructure;
- 3.9 to determine measures for promoting local economic and social development; and
- 3.10 to identify all rateable property.

4. CONSTITUTIONAL AND LEGAL FRAMEWORK

The Municipal Property Rates Act, 2004 forms the legal basis of this policy. However, the following additional legal references were observed during the compilation of this policy:-

- Municipal Finance Management Act, 2003;
- Municipal Systems Act, 2000;
- Municipal Property Rates Policy, as reviewed annually;
- Rates By-law and
- Constitution of the Republic of South Africa, 1996 as amended.

5. EFFECTIVE DATE

The policy will take effect on 01 July 2018

6. POLICY PRINCIPLES

- 6.1 Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's Tariff policy.
- 6.2 The levying of rates on a property is an exclusive right of the Municipality which will be exercised:-
- 6.2.1 optimally and comprehensively within the Municipality; and
- 6.2.2 with consideration of the total revenue source of the Municipality.
- 6.3 The rating of properties will be done independently, justly, equitably and without prejudice and this principle will also be applied with the determination of criteria for exemptions, reductions and rebates as provided for in section 15 of the Act.
- 6.4 The levying of property rates must be implemented in such a way that,
- 6.4.1 it is aimed at development;
- 6.4.2 it promotes sustainable local government by providing a stable and constant revenue source within the discretionary control of the Municipality; and
- 6.4.3 it promotes economic, social and local development.
- 6.5 Property rates will be levied to: -
- 6.5.1 correct the imbalances of the past; and

- 6.5.2 minimise the effect of rates on the indigent.
- 6.6 The market value of a property serves as basis for the calculation of property rates.
- 6.7 The rate tariff will be based on the value of all rateable properties, as per general valuation roll 2018 and supplementary valuation rolls applicable, and the amount the Municipality needs to fund community and subsidised services, after taking into account any possible surplus generated from trading and economic services and the amounts required to finance exemptions, rebates and reductions of rate, as approved by council from time to time.
- 6.8 Trade and economic services will be financially ring fenced and tariffs and service charges will as far as possible be calculated in such a way that the revenue generated covers the cost of the services or generate a surplus.
- 6.9 The provision for operating capital and bad debt must be related to community and subsidised services and must not include any provisions in respect of trade and economic services.
- 6.10 Property rates will be used to finance institutional functions, community and infrastructural services
- 6.11 Surpluses from trade and economic services may be used to subsidise community and subsidised services.
- 6.12 The revenue basis of the Municipality will be optimally protected by limiting the exemptions, rebates and reductions.

7. CATEGORIES OF PROPERTIES

- 7.1 Subject to section 19 of the Act, Kareeberg Municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable properties, which may include categories determined according to the –
- 7.1.1 Predominant use of the property;
- 7.1.2 permitted use of the property; or
- 7.1.3 geographical area in which the property is situated.
- 7.2 Categories of rateable property that may be determined will take effect on 01 July 2018 include the following: –

- 7.2.1 residential (improved property);
- 7.2.2 property that is vacant (empty stands) with zoning or proposed use earmarked for residential;
- 7.2.3 property that is vacant (empty stands) with zoning or proposed use earmarked for industrial, business or commercial;
- 7.2.4 industrial;
- 7.2.5 business, commercial; guest houses
- 7.2.6 farm properties used for –
 - 7.2.6.1 agricultural purposes as defined under definitions;
 - 7.2.6.2 residential purposes as defined under definitions;
 - 7.2.6.3 Farms Commercial or Industrial under definitions
- 7.2.7 farm properties not used for any purpose;
- 7.2.8 smallholdings used for –
 - 7.2.8.1 agricultural purposes;
 - 7.2.8.2 residential purposes;
 - 7.2.8.3 industrial purposes;
 - 7.2.8.4 commercial and business purposes; or
 - 7.2.8.5 purposes other than those specified in subparagraphs (8.3.8.1) to (8.3.8.4).
- 7.2.9 state-owned property and public service purpose;
- 7.2.10 municipal property; also municipal leased house or RDP houses awaiting transfer will be categorised to residential and is property registered or established in the name of the Kareeberg Municipality including investment property in the Fixed Asset Register vs Vesting Property: substance over form;
- 7.2.11 public services infrastructure (PSI);
- 7.2.12 properties:
 - 7.2.12.1 acquired through the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993) or the Restitution of Land Rights Act, 1994 (Act No 22 of 1994); or
 - 7.2.12.2 which is subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
- 7.2.13 properties: places of worship (churches, mosques, synagogue's, etc.)
- 7.2.14 properties: places of worship (churches, mosques, synagogue's, etc.)- vacant property
- 7.2.15 properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962);
- 7.2.16 properties used for multiple purposes, subject to section 9 of the Act;
- 7.2.17 private open space; and

- 7.2.18 such other categories as may be determined by the council from time to time can only be done in this policy.

8. EXEMPTIONS

8.1 Categories of properties

- 8.1.1 The following property categories are exempt from the payment of property rates: –

- 8.1.2 Municipal properties are exempted from paying property rates.

8.1.2.1 Residential properties

All residential property with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. The exemption of R25 000 contemplated in terms of section 17(1)(h) of the Act and can be supplemented by council based on affordability, ratepayer profile and the municipality's predetermined level of support to the poor.

8.1.2.2 Public Service Infrastructure

Is exempted from paying rates as it provides essential services to the community.

8.1.2.3 Public Benefit Organisations –

Public Benefit Organisation Property: The current property rates levy ratio of (1:0.25) in relation to residential property and PBO will be applicable. An rates rebate application must be completed to apply for waiver of rates and taxes.

- 8.1.2.4 A rate-exemption certificate issued by the South African Revenue Service (SARS), as contemplated in terms of Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962), may be submitted together with the application.

- 8.1.2.5 The Municipality retains the right to refuse the application for exemption if the details supplied in the application were incomplete, incorrect or false.

8.2 Impermissible Rates

In terms of section 17(1) of the Property Rates Act, 2004, the Municipality may, inter alia, not levy rates: –

- 8.2.1 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, residential or agricultural purposes.

- 8.2.2 on mineral rights within the meaning of paragraph (b) of the definition for “property” in section 1 of the Act.
- 8.2.3 on a property belonging to a land reform beneficiary or his or her heirs, provided that the exclusion lapses ten years from the date on which such beneficiary’s title was registered in the Deeds register.
- 8.2.4 on a property registered in the name of and primarily used as a place of public worship, including an official residence registered in the name of the church that is occupied by an office-bearer who acts as officiant of the church.

9. REBATES

9.1 Categories of properties

12.1. a Residential properties

The Municipality grants all residential properties a further rebate of R5 000 on the valuation of property. In other words, a total amount of R25 000 will be subtracted from the market value of the residential property. ***(i.e When the Market value of the residential property is R220 000, then the rate payer will only pay rates and taxes on a market value of R200 000 (R220 000 less R25 000).***

9.1.1 Business, commercial and industrial properties

9.1.1.1 The Municipality may grant rebates to rateable undertakings that promote local, social or economic development within the municipal jurisdiction. The following criteria will apply: –

- (a) job creation in the municipal area;
- (b) social upliftment of the local community; and
- (c) creation of infrastructure for the benefit of the community.

9.1.1.2 Rebates 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 the auditors stating that the objectives have been met and how they plan to continue meeting the objectives; and
- (c) an assessment by the municipal manager or his/her nominee indicating that the company qualifies.

9.1.1.3 Council will consider all LED requests on an individual basis according to merits.

9.1.2 Rebate on agricultural property

9.1.2.1 the Municipality grants additional rates rebate (as set out below) in respect of properties used for agricultural purposes only, after which the current property rates levy ratio of (1:0.25) is applied, which is the applicable rate for properties used for agricultural purposes

<i>Financial Year</i>	<i>% Percentage Rebate</i>	<i>Implementation date</i>
From 2018/2019	60%	To 30 June 2022

9.1.2.2 In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by council on a category of non-residential property may not exceed a prescribed ratio to the tariff levied on residential properties. Before the start of 2009/2010 financial year the Minister had promulgated a ratio of 1:0.25 which remains unchanged for the 2018/2019 financial year.

9.1.2.3 Rebates on Public Benefit Organisations

The Municipality may grant additional rates rebate in respect of properties owned by public benefit organisations and used for any specific benefit activities listed in Part 1 of the Nine Schedule to the Income Tax Act, after to the current property rates levy ratio of (1:0.25) is applied. Applications received after 31 August for the financial year in respect of which the application is made will only not be considered. The rates account must be paid up to date otherwise the application will be unsuccessful.

9.1.2.4 Rebates will **only be granted on properties owned by the municipality and vacant municipal properties** which are sold to development or purchase subject to the conditions below.

Proper buildings and plants must be erected within six months after registration at the deeds office. Construction must be completed within two years in order to qualify for rates rebates. Failure to complete construction on these properties within two year after registration of properties at the deeds office, the municipality will use the building plans amount as a basis of municipal property valuation, and levy the properties accordingly.

Rebates will only be granted on vacant municipal land. The rebates will be implemented as follows:

First Year (Year 1)

A rebate of 100% on the municipal value will be allowed to these properties.

Second Year (Year 2)

A rebate of 85% on the municipal value will be allowed to these properties.

Third Year (Year 3)

A rebate of 65% on the municipal value will be allowed to these properties.

Fourth Year (Year 4)

A rebate of 35% on the municipal value will be allowed to these properties.

Fifth Year (Year 5)

A rebate of 15% on the municipal value will be allowed to these properties.

Fifth Year (Year 6)

A rebate of 0% on the municipal value will be allowed to these properties.

The rebates will be applicable on all these municipal properties after the date Council's resolution date.

10. Categories of Owners**10.1.1 Indigent owners -**

The owners that qualify and are registered indigents in terms of the Municipality's policy for indigents receive a rebate on the payment of rates as specified in the Municipality's policy for indigents.

11. REDUCTIONS

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

11.1.1 Partial or total destruction of a property; or

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

11.2 The following conditions shall be applicable:-

11.2.1 The owner of the property 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.

11.2.2 Owners of property 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).

11.2.3 A maximum reduction to be determined on an annual basis shall be allowed.

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

11.2.5 If rates were paid in advance prior to granting of a reduction the Municipality will credit the account of the owner as from the date of reduction.

11.2.6 The CFO in consultation with the Municipal Manager will determine the percentage (%) of reduction in rates levy applicable to the damage caused by these properties.

12. COST OF EXEMPTIONS, REBATES AND REDUCTIONS

12.1 The chief financial officer must inform council during the budgeting process of all the costs associated with the proposed exemptions, rebates, reductions, phasing-in of rates and

grants in the place of rates.

12.2 Provision must be made on the operating budget for –

12.2.1 the full potential revenue associated with property rates; and

12.2.2 the full cost associated with exemptions, rebates and reductions.

13. MULTIPLE USE OF PROPERTIES

Properties used for multiple purposes which for example do not fall within the definition of Residential Properties and, accordingly, do not qualify for the residential rate, may be included into the category of multiple-use properties, as per section 9 (1) (c) of the Property Rates Act, for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category as per section 9 (1) (c) of the Property Rates Act.

14. PROPERTY REGISTER

14.1 A property register, divided into Sections A and B, regarding all properties in the municipal area of jurisdiction, must be compiled and maintained by the Municipality.

14.2 Section A of the register will consist of the current valuation roll of the Municipality and will include all supplementary valuations, as done from time to time.

14.3 Section B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to: –

14.3.1 exemption from rates in terms of section 15 of the Act;

14.3.2 a reduction or rebate in terms of section 15 of the Act;

14.3.3 the phasing in of tariffs in terms of section 21 of the Act; and

14.3.4 exclusions as referred to in section 17 of the Act.

14.4 The register will be open for inspection by the public during office hours at the head office of the Municipality or on the internet website of the Municipality.

14.5 Section A of the register will be updated at least annually by the Municipality during the supplementary valuation process.

14.6 Section B of the register will be updated annually as part of the implementation of the Municipality's annual budget.

15. NOTIFICATION OF RATES

- 15.1 Rates will be effective from 01 July after Government Gazette publication.

16. CONSULTATION PROCESS

- 16.1 Council undertakes a new valuation in terms of the Act, a consultation process involving all interest groups will be undertaken during which the purpose and method of valuation will be explained.
- 16.2 Before the Municipality accepts the rates policy the municipal manager will follow a process of public participation, as prescribed in chapter 4 of the Municipal Systems Act, and comply with the following requirements: –
- 16.2.1 Display the Final property rates policy continuously for a period of thirty (30) days at the Municipality's head office, satellite offices and on the website.
- 16.2.2 Publish a notice in the media stating that the Final property rates policy was compiled for submission to council and that such a policy is available at the different municipal offices and on the website for public inspection.
- 16.2.3 Property owners and interested persons may obtain a copy of the Final policy from the municipal office during office hours at a prescribed cost per copy.
- 16.2.4 Property owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice.
- 16.2.5 Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.

17. FURNISHING OF ACCOUNTS

- 17.1 The Municipality will furnish each person liable for the payment of a rate with an written account, specifying: –
- 17.1.1 the amount due for rates payable;
- 17.1.2 the date on or before which the amount is payable;
- 17.1.3 how the amount was calculated;
- 17.1.4 the market value of the property; and
- 17.1.5 exemptions, reductions and rebates or the phasing-in of rates, if applicable.
- 17.2 A person liable for the payment of rates remains liable for payment, whether or not that person has received a written account from the Municipality, enquiries must be addressed to the Municipality by such a person who has not received a written account.
- 17.3 In the case of joint ownership the Municipality will, upon request, furnish written accounts to one or more individual owners.

18. PAYMENT OF RATES

- 18.1 Council may claim the payment of rates: -
- 18.1.1 on a monthly basis; or
- 18.1.2 annually before 30 September of each year.
- 18.2 Rate payers may choose to pay rates in one instalment annually on or before 30 September of each year. The property owner must notify the municipal manager or his/her nominee by no later than 30 June in any financial year, or such later date in the financial year as determined by the Municipality, that he/she wishes to pay all rates in respect of such a property in annual instalments, after which such an owner shall be entitled to pay all rates in the subsequent financial year and all subsequent financial years annually until he/she withdraws this notice in similar manner.
- 18.3 In the case of joint ownership the Municipality may, in order to limit costs and prevent unnecessary administration, recover the rates continuously from one of the joint owners.
- 18.4 If a rate is payable: -
- 18.4.1 in a single amount annually, it must be paid on or before a date determined by the Municipality.
- 18.4.2 in instalments, it must be paid on or before a date in each period determined by the Municipality.
- 18.5 Interest(prime plus one percent) on rates in arrears, whether paid annually or in equal monthly instalments, shall be calculated in accordance with the provisions of the Municipality's policy on credit control and debt collection.
- 18.6 If a property owner who in terms of this policy is liable for the payment of property rates fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Municipality's by-law on credit control and debt collection.
- 18.7 Rates in arrears shall be recovered from tenants, occupiers and agents of the owner in terms of section 28 and 29 of the Act and the Municipality's policy on credit control and debt collection.
- 18.8 In the event of rates levied emanating from a supplementary valuation, payment thereof will be according to the date determined by the Municipality and payment thereof may not be withheld pending an objection or appeal as determined by section 78(2) of the Act.
- 18.9 In the event that a property has been transferred to a new owner and rates emanating

from a supplementary valuation become due and payable, the owner on date of the levy will be held responsible for the settlement of the interim rates account.

- 18.10 Where the rates on a specific property have been incorrectly determined, whether because of an error or omission on the part of the Municipality, or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be adjusted retrospectively for the period of the date on which the error or omission is detected, back to the date on which rates were first levied in terms of the current valuation roll.
- 18.11 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, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.
- 18.12 Rates Clearance Certificates:-
- 18.12.1 will be valid as per clearance certificate date.
- 18.12.2 Clearance certificates will be issued on application.

19. FREQUENCY OF VALUATIONS

- 19.1** The Municipality shall prepare a new valuation roll at least every five (5) years as stated in the Amendments to the Municipal Property Rates Act. **The latest General Valuation Roll 2018 will become effective on 01 July 2018. See the Property rates bylaw adopted on 31 May 2018.**
- 19.2 In accordance with the Act the Municipality, under exceptional circumstances, may request the MEC for Local Government and Housing, to extend the validity of the valuation roll to seven (7) years.
- 19.3 Supplementary valuations shall be done on a continual basis, but at least once financial year, in order to ensure that the valuation roll is maintained.

20. REVIEW PROCESS

The Property Rates Policy must be reviewed on an annual basis to ensure that it complies with the strategic objectives of the Municipality, as stipulated in the Integrated Development Plan and other applicable legislation.

21. IMPLEMENTATION

This policy will come into effect on 1 July 2018.