



CITY OF MATLOSANA

**MUNICIPAL PROPERTY
RATES POLICY**

FINAL

2023/2024

PREAMBLE

1. **WHEREAS** the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended by the provisions of the Local Government: Municipal Property Rates Amendment Act, Act 29 of 2014 (hereinafter referred to as “the MPRA”), empowers the City of Matlosana (hereinafter referred to as “the Municipality”) to impose rates on property
2. **AND WHEREAS** in terms of section 4(1)(c) of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended (hereinafter referred to as “the Systems Act”), the Municipality may, *inter alia*, levy rates on property to finance the operational expenditure of the Municipality
3. **AND WHEREAS** in terms of section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 as amended (hereinafter referred to as “the MFMA”), the Municipal Manager of the Municipality appointed in terms of section 82 of the Local Government: Municipal Structures Act, Act 117 of 1998 (hereinafter referred to as “the Structures Act”), must, in his capacity as the accounting officer of the Municipality, ensure that the Municipality has and implements a municipal property rates policy
4. **AND WHEREAS** the Municipality:
 - 4.1. Must, in terms of section 3(1) of the MPRA, adopt a policy consistent with the MPRA on the levying of rates on rateable property within the municipal area of the Municipality
 - 4.2. Must, in terms of section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its rates policy
 - 4.3. Must, in terms of section 5(1) of the MPRA, annually review, and may, if necessary, amend this policy. Proposals for reviewing this policy must be considered by the Municipality in conjunction with its annual operating budget
 - 4.4. May, in terms of section 22 of the MPRA, levy an additional rate on property in a special rating area and, in doing so, may differentiate between different categories of property
5. **NOW THEREFORE**, this policy has been drafted in compliance with the provisions of sections 3(1) and 6(1) of the MPRA, and must be read within the context of the MPRA, and in as far as required, supplemented and amplified by the MPRA.

THE CITY OF MATLOSANA

MUNICIPAL PROPERTY RATES POLICY

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CHAPTER 1
INTRODUCTORY PROVISIONS

1. DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words or expressions to which a meaning has been assigned in terms of the provisions of section 1 of the MPRA will have the meaning assigned thereto by the said act. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
		“A”
1.1	“Account”	Means the account furnished to an owner by the Municipality once the owner becomes liable for the payment of rates and which reflects the amount due to the Municipality by such owner in respect of the rates, and depending on the context may also refer to an “account” as defined in terms of the provisions of the Customer Care, Credit Control & Debt Collection Policy and Tariff and Municipal Property Rates By-Laws of the Municipality.
		In relation to property, means a person appointed by the owner of such property:
1.2	“Agent”	<ol style="list-style-type: none">1. to receive rental or other payments in respect of the property on behalf of the owner;2. to make payments in respect of the property on behalf of the owner.
1.3	“Agricultural / farming property”	Means property, which is used for agricultural and/or farming purposes, but excludes any portion thereof that is used commercially.

“C”

		1. In relation to property, means a category of properties determined in terms of section 8;
1.4	Category	2. in relation to owners of properties, means a category of owners determined in terms of section 15 (2);
1.5	“Certificate of occupancy”	Means the certificate of occupancy issued by the Municipality in terms of the provisions of section 14 of the National Building Regulations and Building Standards Act, Act 103 of 1977.
1.6	“Consent use”	Means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Municipality.
1.7	“Council”	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.
1.8	“Current monthly rates”	Means the rate levied on a property in the month immediately preceding the month in which application for a rebate has been made, where such application is required in terms of this policy, and in all other events, the month preceding the month in which the rebate will come into operation.
		“D”
1.9	Date of valuation	Means the date determined by City of Matlosana in terms of Sect 31 (1)
		“E”
1.10	“Exemption”	In relation to the payment of a rate, means an exemption granted by the Municipality in terms of the provisions of section 15 of the MPRA.
		“F”

1.11 **“Financial year”** Means the period commencing on the 1st day of July in any calendar year and ending on the 30th day of June of the following calendar year.

“G”

1.12 **Government or State owned property Public Service Purpose** In so far as, it relates to property owned and used by the State, means property owned and used by the National Government and North West Provincial Government for the provision of community type services, including but not limited to police stations, hospitals. All other property owned and utilised by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes etc. Public Service Purpose in relation to the use of a property, means property owned and used by an organ of state such as:

1. Hospitals and Clinics.
2. Schools and Pre-schools and early childhood development centres
3. National and Provincial Libraries and Archives
4. Police Stations
5. Correctional Facilities and
6. Courts of Law

“I”

1.13 **“Income Tax Act”** Means the Income Tax Act, Act 58 of 1962 as amended.

“M”

1.14 **“MFMA”** Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 as amended.

1.15 **“MPRA”** Means the Local Government: Municipal Property Rates Act, Act 6 of 20042004 as amended by Local Government: Municipal Property Rates Amendment Act, Act 29 of 2014.

1.16	“MPRA Rate Ratio Regulations”	<p>Means the Municipal Property Rates Act: Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the provisions of section 83 of the MPRA and published in GNR195 in GG 33016 of 12 March 2010.</p> <p>1.</p>
1.17	“Multi Purpose ”	<p>in relation to a property, means the use of a property for more than one purpose subject to section 9.</p> <p>Means the CITY OF MATLOSANA (also referred to as the “COM”), a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act, read with the provisions of Chapter 7 of the Constitution of the Republic of South Africa and sections 12 and 14 of the Local Government: Municipal Structures Act, Act 117 of 1998, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at corner of Braam Fisher and Emily Hobhouse Streets, Klerksdorp, North West Province, and includes:</p>
1.18	“Municipality”	<p>2. Its successor in title; or</p> <p>3. A functionary exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act; or</p> <p>4. An authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.</p>
1.19	“Municipal property”	<p>Means property owned by, vested in or under the control and management of the Municipality.</p> <p style="text-align: center;">“N”</p>
1.20	“Non-residential property”	<p>Means all properties (including all undeveloped properties) other than those defined as “residential property”.</p>

“O”

Means:

1.20.1. In relation to 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, means a person in whose name ownership of the property is registered;

1.20.2. In relation to a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property, means a person in whose name the right is registered;

1.20.2.1. In relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 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, and published in Government Notice R327 of 24 February 1984;

1.20.2.2. In relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, Act 59 of 1980;

1.20.3. In relation to buildings, other immovable structures and infrastructure referred to in section 17 (1) (f), means the holder of the mining right or the mining permit;

1.20.3. In relation to a land tenure right registered in the name of a person or granted to a person in terms of legislation, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

1.20.4. In relation to public service infrastructure, means the organ of state which owns or controls

1.21

“Owner”

that public service infrastructure as envisaged in the definition of “publicly controlled”,

provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

1.20.4.1. A trustee, in the case of a property in a trust excluding state trust land;

1.20.4.2. An executor or administrator, in the case of a property in a deceased estate;

1.20.4.3. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

1.20.4.4. A judicial manager, in the case of a property in the estate of a person under judicial management;

1.20.4.5. A curator, in the case of a property in the estate of a person under curatorship;

1.20.4.6. 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;

1.20.4.7. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it;

or

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

1.20.4.8. 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.

“P”

- 1.22 **“Public service infrastructure”** Means public service infrastructure as defined in the Municipal Property Rates Act, Act 6 of 2004 as amended.

“R”

Means property on which the Municipality may in terms of the provisions of Sections 1, 2 and 7 of the MPRA levy a rate, excluding property fully excluded from the levying of rates in terms of the provisions of Section 17 of the MPRA and including

- 1.23 **“Rateable property” and “property”**
- 1.22.1. immovable property registered in the name of a person, including, in the case of a sectional title scheme, sectional title unit registered in the name of a person;
 - 1.22.2. A right registered against immovable property in the name of a person, excluding a mortgage bond registered against property;
 - 1.22.3. A land tenure right registered in the name of person of granted to a person in terms of legislation, or d) public service infrastructure.

- 1.24 **“Ratepayer”** Means any owner of rateable property as well as any owner of rateable property held under sectional title, situated within the municipal area of the Municipality.

- 1.25 **“Rates”** Means a municipal rate on property levied in terms of section 229(1) (a) of the Constitution and section 2(1) of the MPRA.

- 1.26 **“Rebate”** Means a discount granted in terms of the provisions of section 15 of the MPRA on the amount of the rate payable on the property.

- 1.27 **“Reduction”** Means the lowering in terms of the provisions of section 15 of the MPRA of the amount for which the property was valued and the rating at that lower amount.

- 1.28 **“Registered Indigent”** Means a person who has applied to the Municipality in terms of the Indigent Policy of the Municipality to be

registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent on the Indigent Relief Register, as contemplated in terms of the Indigent Policy of the Municipality

Means property which is:

- 1.29 **“Residential property”**
- 1.28.1. Used **exclusively** for residential purposes, with not more than 2 (two) dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
 - 1.28.2. A unit registered in terms of the Sectional Titles Act, used **exclusively** for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
 - 1.28.3 Owned by a share-block company and used predominantly (60% or more) for residential purposes; or
 - 1.28.4. A retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or
 - 1.28.5. A residence used for residential purposes situated on property used for or related to educational purposes;
 - 1.28.6. Vacant Residential Property;
- However, excludes hostels, old age homes, guesthouses and any vacant land, not zoned as “residential”, irrespective of its zoning or intended usage.

“S”

- 1.30 **“school”** Means a school as defined in terms of the South African Schools Act, Act 84 of 1996 as amended and includes both a public school or an independent school that enrolls learners in one or more grades from grade R (Reception) to grade twelve and a public school.
- 1.31 **“Sectional Titles Act”** Means the Sectional Titles Act, Act 95 of 1986 as amended.
- 1.32 **“Structures Act”** Means the Local Government: Municipal Structures Act, Act 117 of 1998 as amended.
- 1.33 **“Systems Act”** Means the Local Government: Municipal Systems Act, Act 32 of 2000 as amended.

“T”

- 1.34 **“technical and other colleges”** Means a public college and a private college as contemplated in the Further Education and Training Colleges Act, Act 16 of 2006.
- 1.35 **“the/this policy”** Means the Municipal Property Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
- 1.36 **“threshold”** Means the amount, determined from time to time by the Municipality during its annual budget process referred to in section 12(2) of the MPRA, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only.

“V”

- 1.37 **“vacant land”** Means a property without any improvements thereto excluding Agricultural land
- 1.38 **“valuation roll”** Means a valuation roll prepared in terms of the provisions of section 30 of the MPRA or a supplementary valuation roll prepared in terms of the provisions of section 78 of the MPRA.

“Z”

- 1.39 **“zero rated”** Means the Value Added Tax Rate at which property rates are levied
- 1.40 **“zoning”** Means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in the applicable Land Use Management Scheme, or any revision or amendment thereof, and “zoned” has a corresponding meaning, provided that where a property carries multiple zoning rights, the categorisation of such property will be in accordance with the highest rating category.

2. AIM AND PURPOSE

- 2.1. This policy constitutes the policy as contemplated in terms of the provisions of section 3(1) of the MPRA and the aim and purpose of this policy is as set out in the provisions of section 3(3) of the MPRA.
- 2.2. The aim of this policy is to:
- 2.2.1. Ensure that all owners of rateable property are informed about their liability for rates;
 - 2.2.2. Specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in terms of the provisions of section 15 of the MPRA;
 - 2.2.3. Empower the Municipality to specify a threshold at which rating in respect of residential properties may commence as provided for in terms of the provisions of section 15(1)(a) of the MPRA, which it is authorised to do;
 - 2.2.4. Set out the criteria to be applied by the Municipality when it:
 - 2.2.4.1. Increase or decreases rates
 - 2.2.4.2. Levies differential rates on different categories of property;
 - 2.2.5. Provide for categories of public benefit organisations, approved in terms of the provisions of section 30(1) of the Income Tax Act, Act 58 of 1962 (hereinafter referred to as “the Income Tax Act”), which are ratepayers, and who may apply to the Municipality for relief from rates;
 - 2.2.6. Recognise the State, organs of state and the owners of public service infrastructure as property owners;
 - 2.2.7. Encourage the development of property;
 - 2.2.8. Ensure that all persons liable for rates are treated equitably as required by the MPRA; and
 - 2.2.9. Provide that any rebate is to benefit the owner in occupation of the property.

3. TITLE AND APPLICATION

- 3.1. This policy is known as the Municipal Property Rates Policy of the City of Matlosana.
- 3.2. This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

4. COMMENCEMENT AND VALIDITY

This policy shall come into force and effect on the first implementation of the general valuation roll to be prepared by the Municipality in terms of the provisions of section 30, read with section 31 of the MPRA. This policy shall form part of the Municipality's budget related policies when such budget is tabled in the Council of the Municipality in terms of the provisions of section 16(2) of the MFMA for approval, in order to allow for the Council of the Municipality to consider and approve this policy in terms of the provisions of section 24(1) of the MFMA. Once this policy is approved by the Council, the general valuation roll to be compiled by the Municipality will be compiled taking account of the principles and provisions of this policy in as far as *inter alia* the different categories of properties and special rating areas are concerned.

5. RESPONSIBLE AUTHORITY

The responsible authority for the adoption, publication and implementation of this policy is the Municipality, and where applicable the Council of the Municipality.

CHAPTER 2

RATING PRINCIPLES AND CATEGORIES OF PROPERTY

6. OPERATIONAL BACKGROUND AND PRINCIPLES

- 6.1. This policy has been prepared to ensure equitable treatment by the Municipality in the levying of rates on property owners, including owners under sectional title as contemplated in terms of the Sectional Titles Act, as well as any other person who may become liable for the payment of rates based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability and cost efficiency.
- 6.2. This policy must be read in conjunction with the provisions of the Land Use Management Scheme and the Town Planning and Townships Ordinance 15 of 1986, and any other applicable legislation, including, but not limited to, the MFMA, the Systems Act, and any legislation that replaces any of the aforementioned acts or ordinance.
- 6.3. The Municipality is required by the terms of section 16(1) of the MFMA, read with section 24(1) of the MFMA, to approve an annual operating budget prior to the commencement of every financial year. The income from rates must be used to finance in full or in part, the annual operating expenditure of the Municipality as reflected in such budget.
- 6.4. As provided in the MPRA, the Municipality has elected to differentiate between various categories of property and property owners. Some categories of property and categories of owners are granted relief from rates. The Municipality does, however, not grant relief from rates in respect of payments for rates to any category of owners or properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 6.5. Rates are levied in accordance with the provisions of the MPRA as a cent-in-the-rand based on the property value determined for a property as contained in the valuation roll and supplementary valuation roll.

7. ANNUAL OPERATING BUDGET

- 7.1. Rates and rate ratios shall be levied and established as part of the approved annual budget of the Municipality and shall remain valid and in force and effect until amended, changed or varied by the Council.
- 7.2. In terms of the provisions of section 28(6) of the MFMA a municipal tax may not be increased during a financial year, except when required in terms of a financial recovery plan.
- 7.3. The Municipality must consider the levying of rates annually during the budget process as contemplated in section 12(2) of the MPRA.
- 7.4. Rate increases must be used to finance the increase in operating costs of the municipal services and facilities of the Municipality.
- 7.5. In determining the level of increases or decreases in rates, the criteria to be applied may include the following:
 - 7.5.1. The inflation rate as indicated by the consumer price index, excluding mortgage bonds;
 - 7.5.2. The financing of increased operating expenditure in the budget of the Municipality;
 - 7.5.3. The financing of additional maintenance expenditure included in the operating budget of the Municipality;
 - 7.5.4. The financing of additional depreciation charges included in the operating budget of the Municipality;
 - 7.5.5. The additional cost of servicing debt included in the operating budget of the Municipality;
 - 7.5.6. The augmentation of any revenue shortfall;
 - 7.5.7. The financing from the annual operating budget of expenditure related to anything the Municipality is lawfully empowered to do for which provision has to be made in the budget;
 - 7.5.8. The taking into consideration of the medium term budget growth factors as determined by National Treasury;
 - 7.5.8.1. The valuation roll; and
 - 7.5.8.2. Any other relevant factor.

7.6. Also in determining the level of increases or decreases in rates and in order to assist the Municipality in dealing with the criteria as set out above, the Municipality will refer to the following classifications:

7.6.1. Services:

7.6.1.1. Trading services (as referred to in the Tariff Policy);

7.6.1.2. Non-trading services (as referred to in the Tariff Policy).

7.6.2. Expenditure:

7.6.2.1. Salaries, wages and allowances;

7.6.2.2. Bulk purchases;

7.6.2.3. General expenditure;

7.6.2.4. Repairs and maintenance;

7.6.2.5. Capital charges;

7.6.2.6. Contribution to fixed assets;

7.6.2.7. Contribution to funds;

7.6.2.7.1. Impaired debts;

7.6.2.7.2. Working capital; and

7.6.2.7.3. Statutory funds;

7.6.2.8. Contribution to reserves;

7.6.2.9. Gross expenditure (7.6.2.1 to 7.6.2.8.);

7.6.2.10. Less charge-out (inter-departmental charge-outs);

7.6.2.11. Nett expenditure (7.6.2.1.) less (7.6.2.8.);

7.6.2.12. Income; and

7.6.2.13. Surplus/deficit [difference between (xi) and (xii)].

7.6.3. Cost centres (to which the costs associated with rendering the service can be allocated):

7.6.3.1. By department;

7.6.3.2. By section/service; and

7.6.3.3. By division/service.

- 7.7. Differential rates may be levied in terms of the provisions of section 8 of the MPRA according to the permitted use or, where applicable, the actual use of the property concerned.
- 7.8. In addition to the criteria specified above, the following criteria may be taken into account in determining whether a differential rate should be applied:
- 7.8.1. The need to promote economic development;
 - 7.8.2. Any administrative advantages in applying a differential rate; and
 - 7.8.3. The need to alleviate the rates burden on the owners of any particular category of property specified in this policy.
- 7.9. Rates are levied in accordance with the MPRA as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in terms of Chapters 6 and 8 of the MPRA, respectively.
- 7.10. The rate levied by the Municipality on a residential property with a market value below a prescribed valuation level may, instead of a rate determined as set out in the afore stated paragraph, be a uniform fixed amount per property.

8. CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

- 8.1. The Municipality may levy different rates for different categories of rateable property provided that, the maximum ratio to the rate on residential property which may be imposed on agricultural/farming property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.
- 8.2. All rateable property will be classified within a specific category and will be rated upon the said classification, which will be in accordance with the actual use thereof, unless otherwise stated in this policy.

- 8.3. For purposes of levying different rates based on the permitted use of properties in terms of the provisions of section 8(1) (b) of the MPRA, read with sections 3(3) (b) and 3(3) (c) of the MPRA, the following categories of property are determined, as well as the main criteria to be used in order to determine the category of the property:

8.3.1. Residential property:

Means property that is:

- 8.3.1.1 Used exclusively for residential purposes, with not more than 2 (two) dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
- 8.3.1.2. A unit registered in terms of the **Sectional Titles Act**, used exclusively for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
- 8.3.1.3. Owned by a share-block company and used predominantly (60% or more) for residential purposes; or
- 8.3.1.4. A retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or
- 8.3.1.5. A residence used for residential purposes situated on property used for or related to educational purposes;
- 8.3.1.6. Vacant Residential Property;

However, excludes hostels, old age homes, guesthouses and any vacant land, not zoned as "residential", irrespective of its zoning or intended usage.

8.3.2. Business and commercial property:

Refers to property on which the activity of buying, selling or trading in goods and/or services occurs, but excludes a property that forms part of the multi-purpose category, as referred to in sub-paragraph (3)(k) below. It includes any office or other accommodation on the same property, the use of which is incidental to the business, but excludes the business of mining. It further includes (and may include such sub-categories for) hotels, early development centres, private schools, private clinics, hospitals, guesthouses, bed and breakfast establishments and any vacant land which is being used for storage or parking in line with the zoning of such property and may also include a sub-category for vacant land zoned for business or commercial purposes in terms of the Land Use Management Scheme.

8.3.3. Industrial property:

Refers to property on which a trade or manufacturing, production assembling or the processing of finished or partially finished products from raw materials or fabricated parts occurs on such a large scale which involves significant capital and labour resources and may also include a sub-category for vacant land zoned for industrial purposes in terms of the Land Use Management Scheme.

8.3.4. Mining property:

Refers to property used for mining purposes or purposes incidental to mining operations as defined in the Mineral & Petroleum Resources Development Act, Act 28 of 2002, and including any building, other immovable structures and infrastructure above the surface required for purposes of mining and may also include a sub-category for vacant land zoned for mining purposes or purposes incidental to mining operations in terms of the Land Use Management Scheme, but excludes mining rights or a mining permit as defined in the Mineral & Petroleum Resources Development Act, Act 28 of 2002.

8.3.5. Public service infrastructure property:

Refers to property utilised to accommodate public infrastructure of the following kinds (sub categories):

1. National, provincial or municipal public roads;
 2. Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water or sewage pumps forming part of a water, waste water or sewer network serving the public;
 3. Power stations, power sub-stations or power lines forming part of an electricity network;
- 8.3.5.4. Railway lines forming part of a national railway network;
- 8.3.5.5. Communication towers, masts, exchanges or lines forming part of a communication network;
- 8.3.5.6. Runways or aprons at the municipal airport of the Municipality;
- 8.3.5.7. Any other publicly controlled infrastructure as may be prescribed;
- 8.3.5.8. Rights of way, easements or servitudes in connection with infrastructure mentioned in sub-paragraphs (3) (e) (i) to (3) (e) (viii) above; or
- 8.3.5.9. Public open spaces;

but with the exemption that the public service infrastructure property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of “public service infrastructure”, as contained in section 1 of the MPRA, may not be rated in terms of section 17(1) (a), to the extent set out in the sliding-scale contained in section 93(1) of the MPRA.

8.4. Municipal properties:

Refers to property owned by, vested in or under the control and management of the Municipality and will consist of the following 2 (two) sub-categories:

8.4.1. Municipal property: not rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are not rateable:

- 8.4.1.1. Public service infrastructure owned by the Municipality, including those referred to in sub-paragraph (3) (e) above;
- 8.4.1.2. Waste-dump sites;
- 8.4.1.3. Municipal burial grounds and adjacent public open space within the burial ground precinct;
- 8.4.1.4. Property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property that is for the purposes of this policy deemed to be public open space;
- 8.4.1.5. Property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the Formalities in respect of Leases of Land Act, Act 18 of 1969, in which case the area subject to the lease shall be separately rated; and
- 8.4.1.6. Municipal housing schemes.

8.4.2. Municipal property: rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are rateable:

- 8.4.2.1. Property leased to third parties in terms of a lease registered in terms of the Formalities in Respect of Leases of Land Act, Act 18 of 1969. Where property owned by the Municipality is leased to a third party, the rating thereof shall be the prevailing rating applied to the principle property; and
- 8.4.2.2. Municipal property used for purposes other than those specified in sub-paragraph (f) (l) above.

8.5. Agricultural/farming property:

Property in this category is limited to agricultural/farming property zoned as agricultural/farming and used exclusively for agricultural purposes with the property owner deriving his principal source of income from the produce of the land on such property, but excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game. Agricultural/farming property not used for bona fide agricultural/farming purposes shall be rated according to the actual use thereof.

8.6. State-owned or organ of state-owned property and used for public service purposes:

8.6.1. Property owned by the state or an organ of state is rateable and will be categorised according to the zoning or use of the property; and

8.6.2. If property owned by the state or an organ of state is zoned or used for residential purposes, the rates must, after presentation of a certificate of occupancy, be levied in terms of the residential tariff. The rebate afforded to state owned properties of organ of state owned properties does not apply to properties zoned or used for residential purposes as the rebate relating to residential properties already applies to such properties.

8.6.3 Public Service Purpose in relation to the use of a property, means property owned and used by an organ of state such as:

8.6.3.1 Hospitals or Clinics

8.6.3.2 Schools, Pre-schools, Early childhood development centres or further education and training colleges

8.6.3.3 National and Provincial Libraries and Archives

8.6.3.4 Police Stations

8.6.3.5 Correctional Facilities and

8.6.3.6 Courts of Law

8.6.4 Other categories: offices, roads, post office, vacant land, agricultural, church, cell towers which will be levied under the relevant other categories.

8.7. Smallholdings used for:

8.7.1. Exclusively used for agricultural/farming purposes:

Refers to a smallholding used predominantly (60% or more) for bona fide agricultural/farming purposes.

8.7.2. Residential purposes:

Refers to a smallholding used for residential purposes only.

8.7.3. Multiple Purposes use:

Refers to a smallholding used predominantly for residential purposes but has significant portions of the property devoted to purposes that fall within other categories of property, but excludes hostels, old age homes, guesthouses, bed and breakfast establishments, and any vacant land irrespective of its zoning or intended usage.

8.7.4. Industrial purposes:

Refers to a smallholding used for industrial purposes.

8.7.5. Business and commercial purposes:

Refers to a smallholding, which is used for business and or commercial purposes.

8.7.6. Any other purpose than those specified above:

Such smallholdings will be categorised in terms of any of the property categories referred to in this policy, which is in accordance with its predominant use.

8.8. Property used for Multiple Purposes:

- 8.8.1. Multi-purpose has two or more categories of property rates and will be levied in accordance the permitted use thereof.
- 8.8.2. Basic services will be levied on the highest tariff and the lowest tariff of basic services will be exempted.
- 8.8.3. Consumption services will be levied on the highest tariff and the lowest tariff of consumption services will be exempted

8.9. Educational:

Refers to property owned by educational institutions which are registered with the South African Revenue Services, in terms of the provisions of section 30 of the Income Tax Act and which provide education and development services as contemplated in terms of Part 1, section 4 of the Ninth Schedule to that Act and may include sub categories such as “private school”, “crèche”, “early development centres”.

8.10. Public benefit organisation property and used for specified public benefit activities:

Refers to property owned by a public benefit organisation and hospitality industries used for specified public benefit activities as listed in Part 1 of the Ninth Schedule to the Income Tax Act.

8.11. Property used for religious purposes:

Refers to property registered in the name of and used solely as a place of public worship, as defined in section 1 of MPRA, by a religious community, including an official residence, as defined in section 1 of the MPRA, registered in the name of such community which is occupied by an office-bearer of such community who officiates at services at that place of public worship.

8.12. Vacant land

Refers to a property without any improvements thereto except agricultural properties.

8.13. Private open space

Refers to parks in private developed towns.

8.14. Private roads

Refers to roads in private developed towns.

8.15. Guesthouses

Refers to properties exclusively being utilized for bed and breakfast purposes.

9.1. In determining the category of a property referred to in sub-paragraph (8.4.1.) above, the Municipality will take into consideration the following criteria, or a combination thereof:

- 9.1.1. The actual dominant use of the property concerned;
- 9.1.2. Conditions for township establishment and land use rights pertaining to the property;
- 9.1.3. The geographical area in which the property is situated;
- 9.1.4. The nature and extent of the improvements on the property.

10. In order to ensure certainty and consistency in the application of the criteria mentioned in sub-paragraph (9) above, the Municipality will endeavour to apply the above criteria uniformly and in order of priority as follows:
 - 10.1. Properties must firstly be categorised in accordance with its permitted land use in terms of the Land Use Management Scheme;
 - 10.2. In addition to the land use of a property, the actual dominant use of a property may also be used to categorise, or to narrow or confirm the category of such property. An inspection of the property concerned may be undertaken in order to obtain such information;
 - 10.3. Where the dominant and permitted use of a property differ, the actual dominant use will supersede the permitted use and will be valued and rated according to the current usage; and
 - 10.4. The geographical area where a property is situated, as well as the nature and extent of any improvements made to such property, may also be considered to categorise the property.
11. Property that is used in conflict to its zoning will be rated at the tariff applicable to properties used for business and commercial purposes.
12. Any property not falling within the ambit of the categories referred to above, shall be deemed to be business and commercial for the purposes of levying a rate.

CHAPTER 3

DIFFERENTIAL RATING, EXEMPTIONS, REDUCTIONS AND REBATES

9. DIFFERENTIAL RATING

- 9.1. The Municipality will apply a differential rating system based on the different property categories set out in paragraph 8 above, by means of a set rate to be applied to each category of property, provided that the maximum ratio to the rate on residential property which may be imposed on agricultural/farming property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.
- 9.2. The criteria for the implementation of the differential rating system on different categories of properties will be according to:
- 9.2.1. The nature and use of the property;
 - 9.2.2. The sensitivity to rating of the category of property;
 - 9.2.3. The extent of municipal services and infrastructure available to the property;
 - 9.2.4. The nature and extent of reductions and rebates applicable to the owners of the category of property;
 - 9.2.5. The promotion of social and economic development; and
 - 9.2.6. Whether the property is being used for the use permitted for the property by the provisions of the Land Use Management Scheme of the Municipality.

10. CATEGORIES OF PROPERTY OWNERS FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES AND THE CRITERIA FOR EXEMPTIONS, REDUCTIONS AND REBATES

For purposes of exemptions, reductions and rebates from the payment of a rate levied on the different categories of property as contemplated in terms of the provisions of section 15(1) of the MPRA, the following categories of property owners and the criteria to be applied for the granting of exemptions, reductions and rebates to these categories of property owners are determined:

10.1. Exemptions:

The following properties are either exempted from paying rates, or the owners thereof may apply to the Municipality to be exempted from the paying of rates as indicated below:

10.1.1. An owner of residential property:

- 10.1.1.1. Low cost residential properties used for residential purposes are only fully exempted if the owner of such a property is a registered Indigent in terms of the Municipality's Indigent Policy receiving indigent support. This is an important part of the Indigent Policy of the Municipality that is aimed primarily at alleviating poverty;
- 10.1.1.2. All residential properties with a market value of less than the amount annually determined by the Municipality in the Tariff Policy are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1) (h) of the MPRA are included in the amount referred to above as annually determined by the Municipality;
- 10.1.1.3. Owners of residential properties earning an income below certain thresholds as determined and as set out in the Tariff Schedule as referred to in the Tariff Policy and By-Law of the Municipality.

10.1.2. Property owned by the Municipality:

The Municipality is exempted from paying rates in respect of the property referred to in sub-paragraph 8(3) (f) (i) above.

10.1.3. Property owned by Public Benefit Organisations:

The following Public Benefit Organisations must produce the relevant proof from paying rates on property, provided a true and certified copy of a tax exemption certificate which has been issued by the South African Revenue Services as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act is submitted together with such application:

10.1.3.1. State or Organ of State owned Health Care Institutions:

State owned or Organ of State owned property used solely for health care institution purposes, provided that any and all profits from the use of such property are used entirely for the benefit of such health care institution.

10.1.3.2. Welfare Institutions:

Property used exclusively as an orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.

10.1.3.3. Educational Institutions:

Property owned by a non-profit educational institution, registered as such in terms of the applicable legislation.

10.1.3.4. Charitable Institutions:

Property owned by a non-profit institution or organisation, which performs charitable work.

10.1.3.5. Sporting Bodies:

Property owned by an organisation which main purpose is to use such property for sporting purposes on a non-professional and non-profitable basis.

10.1.3.6. Cultural Institutions:

Property owned by an institution declared to be subject to the provisions of the Cultural Institutions Act, Act 119 of 1998.

10.1.3.7. Museums, Libraries, Art Galleries and Botanical Gardens:

Museums, Libraries, Art Galleries and/or Botanical Gardens, operated on a non-profit basis and open to the public.

10.1.3.8. Youth Development Organisations:

Property owned and used by an institution or organisation for the provision of youth leadership or a youth development programme on a non-profit basis.

10.1.3.9. Animal Welfare:

Property owned and used by an institution or organisation with the exclusive aim to protect birds, reptiles and/or animals on a non-profit basis.

10.1.3.10. Property used for Religious purposes:

A Property used for Religious purposes as referred to in sub-paragraph 8(3)(n) above, is exempted from the payment of rates as per the provisions of section 17(1)(i) of the MPRA.

10.1.3.1. Registered Indigents:

All Registered Indigents, registered in terms of the provisions of the Indigent Policy of the Municipality, shall be fully subsidised for the payment of property rates, as referred to in sub-paragraph (1)(a)(i) above as part of the indigent support such a person receives from the Municipality. The subsidy shall not be more than the applicable rate for that year, and will be applied for the duration of that particular financial year.

10.1.3.2. Properties to which the provisions of the National Heritage Resources Act, Act 25 of 1999,

Apply, or an institution that has been declared to be subject to the Cultural Institution Act, Act 119 of 1998.

10.2. An exemption from the payment of rates will only qualify to be considered for exemption by the Municipality subject to the following conditions:

- 10.2.1. On application, which application must be addressed in writing to the Municipality in the prescribed manner.
- 10.2.2. A true and certified copy of a tax exemption certificate issued by the South African Revenue Service must be submitted together with the application;
- 10.2.3. The Municipal Manager or the person to whom the authority to approve an application for an exemption has been delegated, must consider and approve or dismiss the application;
- 10.2.4. In considering the application for an exemption the Municipality may request any such further and/or additional information and/or documentation, as it deems necessary in order to consider such application;
- 10.2.5. The Municipality reserves the right to refuse any exemption if the details provided in the application are incomplete, incorrect or false.

10.3. Reductions:

10.3.1. The Municipality will consider reductions from rates payable by owners of property on an *ad hoc* basis, in any of the following circumstances:

10.3.1.1. Partial or total destruction of a property and/or improvements on such property; and

10.3.1.2. In the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property.

10.3.2. A reduction from rates payable by owners of property will only be granted by the Municipality subject to the following conditions:

10.3.2.1. The owner of a property in respect of which a reduction is applied for must apply in writing to the Municipality for such reduction, and the onus will rest on such applicant to prove to the satisfaction of the Municipality that such property has been totally or partially destroyed or affected by a disaster as contemplated in subparagraph (10.3.1.1. and 10.3.1.2.) above. Such owner will further have to indicate to which extent the property can still be used and the impact on the value of the property;

10.3.2.2. The percentage of the reduction granted and the period for which the reduction will be granted, if any, is solely within the discretion of the Municipality;

10.3.2.3. The Municipal Manager or the person to whom this authority to approve an application for a reduction has been delegated, must consider and approve or dismiss the application; and

10.3.2.4. In considering the application for a reduction the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application

10.4. **Rebates:**

The Municipality will consider rebates from rates payable on certain categories of property and/or for certain categories owners of property, on the following basis:

10.4.1. **Categories of property:**

10.4.1.1. **Agricultural/farming property:**

10.4.1.1.1. The owners of agricultural/farming property may be granted a rebate subject to such owner providing the Municipality with the prescribed information as set out in **Schedule “B”** and in the format provided in **Schedule “B”**;

10.4.1.1.2. The prescribed information provided in the format of **Schedule “B”**, must be submitted to the Municipality before the 30 September of the current financial year

1. Rebates may be granted by utilizing the criteria as set out and referred to in paragraphs 3.1 to 3.2 of **Schedule “A”**.
2. Rebates may be granted but the owner’s account must be up to date.

10.4.2. **Public Service Infrastructure Property:**

Public Service Infrastructure Property as per definition, relates to essential services and shall therefore be exempted from property rates (Sec 93A of MPRA Amendments).

10.4.3. Categories of owners:

10.4.3.1. Retired and/or Disabled Persons Rate Rebate:

Retired and/or disabled persons qualify for special rebates according to their monthly household income as referred to and set out in paragraph 3.4 of **Schedule “A”**. To qualify for this rebate a property owner must comply with the following requirements:

- 10.4.3.1.1. Occupies the property as his/her normal and only residence;
- 10.4.3.1.2. Be at least 60 years of age or have been awarded a disability pension from the Department of Social Development or other approved pension funds;
- 10.4.3.1.3. Be in receipt of a total monthly household income from any and all sources (including income of spouses of owner) as set out in paragraph 3.2 of **Schedule “A”**;
- 10.4.3.1.4. Not be the owner of more than one property;
- 10.4.3.1.5. Provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;
- 10.4.3.1.6. Property owners must apply to the Municipality for the rebate on the prescribed application form as set out in **Schedule “C”** and provide such documents as required therein;
- 10.4.3.1.7. This application must be submitted to the Municipality before the end of September of the current financial year
- 10.4.3.1.8. The Municipal Manager or the person to whom the authority to approve the application for a rebate has been delegated, must consider and approve or dismiss the application;
- 10.4.3.1.9. In considering the application for a rebate the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application;
- 10.4.3.1.10. The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false; and
- 10.4.3.1.11. The extent of the rebate is set out in paragraph 3.2 of **Schedule “A”**.

11. COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING-IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY

- 11.1. The Municipal Manager must ensure that all exemptions, reductions, rebates and the phasing-in of certain rates, as contemplated in terms of the provisions of sections 15 and 21 of the MPRA, are appropriately disclosed in the annual operating budget, annual financial statements and annual report of the Municipality and that such exemptions, reductions, rebates and phasing-in of certain rates are clearly indicated on the rate account which is submitted to every respective property owner liable to pay rates to the Municipality.

- 11.2. The Municipal Manager must also disclose all costs in respect of such exemptions, reductions, rebates and/or phasing-in of rates.
- 11.3. The benefit in respect of and the reasons and criteria for the granting of certain exemptions, reductions, rebates and/or phasing-in of certain rates to the various property owners includes, but is not limited to:
 - 11.3.1. The promotion of local economic development, which includes the promotion of business investments within the municipal area of the Municipality;
 - 11.3.2. Job creation for the local community;
 - 11.3.3. The promotion of service delivery by *inter alia* farmers;
 - 11.3.4. Poverty alleviation of indigent individuals;
 - 11.3.5. Social and moral development, including assistance to religious institutions, sporting bodies, educational institutions and/or other non-governmental organisations which promote health and/or other benefits to the local community; and
 - 11.3.6. Improved local economic growth.

11.4. IMPERMISSIBLE RATES

- 11.4.1. The Municipality may not levy a rate on:
 - 11.4.1.1. National, Provincial or other public roads on which goods, services and/or labour move across a municipal boundary;
 - 11.4.1.2. 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;
 - 11.4.1.3. Railway lines forming part of a National railway system;
 - 11.4.1.4. Runways, aprons and the air traffic control unit at the municipal airport, including the vacant land, known as the obstacle free zone surrounding the airport, which must be vacant for air navigation purposes;
 - 11.4.1.5. On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, Act 57 of 2003, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, Act 10 of 2004, which are not developed or used for commercial, business, agricultural or residential purposes, provided that:

- 11.4.1.5.1. The exclusion from rates lapses if the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such a reserve, park or botanical garden, is withdrawn in terms of the applicable Act mentioned in that subsection;
- 11.4.1.5.2. 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 the exclusion set out in sub-paragraph (f), would have been payable on the property, notwithstanding section 78 of the MPRA, during the period commencing from the effective date of the current valuation roll of the municipality;
- 11.4.1.5.3. If the property was declared as a protected area after the effective date of the current valuation roll, rates are payable only from the date of declaration of the property;
- 11.4.1.5.4. The amount for which an owner becomes liable in terms of paragraph 11.4.1.5.2. and 11.4.1.5.3. must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality;
- 11.4.1.5.5. Paragraphs 11.4.1.5.2 to 11.4.1.5.4. above apply only if the declaration of the property was withdrawn because of:
 - 11.4.1.5.5.1. A decision by the private owner for any reason to withdraw from the agreement concluded between the private owner and the state in terms of the Protected Areas Act, and in terms of which the private owner initially consented to the property being declared as a protected area; or
 - 11.4.1.5.5.2. A decision by the state to withdraw from such agreement because of a breach of the agreement by the private.
- 11.4.1.6. On mining rights or a mining permit within the meaning of the Mineral and Petroleum Resources Development Act, Act 28 of 2002, excluding any building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining;
- 11.4.1.7. On a property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses:
 - 11.4.1.7.1. Ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds; or
 - 11.4.1.7.2. Upon alienation of the property by the land reform beneficiary or his or her heirs, dependants or spouse;

11.4.1.8

On the first **R50 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:

11.4.1.8.1. For residential properties; or

11.4.1.8.2. For properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or

1. 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.

CHAPTER 4

GENERAL PROVISIONS

12. SPECIAL RATING AREAS

- 12.1. The Municipality may, if and when it deems necessary, by means of a Council resolution determine special rating areas in consultation with the relevant communities as provided for in terms of the provisions of section 22 of the MPRA.
- 12.2. The following matters shall be attended to in consultation with the property owners within the area where the Municipality considers imposing such special rating area:
- 12.2.1. The proposed boundaries of the special rating area;
 - 12.2.2. Statistical data in respect of the area concerned and any such further information as may be required by the property owners who owns property within the proposed special rating area;
 - 12.2.3. Information in respect of the proposed improvements and/or upgrades, clearly indicating the estimated costs of each respective improvement and/or upgrade;
 - 12.2.4. The proposed financing of the improvements and/or upgrades;
 - 12.2.5. The priority of improvements and/or upgrades, if applicable;
 - 12.2.6. The socio economic factors of the relevant property owners concerned;
 - 12.2.7. The different categories of property;
 - 12.2.8. The amount of the proposed special rating;
 - 12.2.9. The details regarding the implementation of the special rating;
 - 12.2.10. The additional income which will be generated by means of the special rating; and
 - 12.2.11. The precise manner in terms of which the Municipality will utilize the additional income so generated.

- 12.3. A committee of property owners who own property within the proposed special rating area, consisting of 6 (six) **Property owners** must be established in order to advise and consult the Municipality with regard to such proposed special rating area. This committee will be elected by the inhabitants within the proposed special rating area concerned, who must be at least 18 (eighteen) years of age. The election of the committee will commence under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no executive powers.
- 12.4. The consent required from the property owners who own property within the proposed special rating area, must be obtained in writing or by means of a formal voting process under the auspices of the Municipal Manager. The majority vote is regarded as 50% plus 1 (one), of the property owners concerned. Each property owner, being the receiver of the monthly account for the municipal rate, will have 1 (one) vote each.
- 12.5. In determining the special additional rates, the Municipality shall differentiate between different categories as referred to in paragraph 8 above.
- 12.6. The additional rates levied must be utilized for the purpose of improving or upgrading the specific area only and not for any other purpose.
- 12.7. The Municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the property owners concerned shall be kept informed of progress with projects and financial implications on an annual basis.
- 12.8. Council may approve a rebate, reduction or exception in a determined amount and for a determinable period to a specific property owner to set off or reduce any amounts payable by the Municipality to the property owner whether under a services agreement or otherwise.

13. RATE INCREASES

- 13.1. In terms of the provisions of section 17(3)(a)(ii) of the MFMA and section 24(2)(c) (1) of the MFMA, read with section 28(6) of the MFMA, the Municipality may only consider the increase of rates annually during the drafting and adoption of its annual budget.
- 13.2. Income derived from the increasing of rates must be used by the Municipality to finance any increase in operating costs of subsidized municipal services and/or any increase in the rendering of municipal services to the local community.
- 13.3. The following annual adjustments may be considered and/or made in respect of subsidized municipal services and/or the rendering of municipal services to the local community:
 - 13.3.1. Salary and/or wage increases as agreed with the South African Local Government Bargaining Council;
 - 13.3.2. Salary increases of managers directly accountable to the Municipal Managers in terms of the provisions of section 56 of the Systems Act;
 - 13.3.3. Inflation adjustments in respect of general expenditure, repairs, maintenance and/or contributions to statutory funds, and
 - 13.2.4. Additional depreciation costs, interest on and/or reduction of loans associated with the assets obtained by the Municipality during the previous financial year.
- 13.4. Extraordinary expenditure in respect of community municipal services which was not expected or budgeted for may be financed by an increase of property rates.
- 13.5. The Municipality must take into consideration the ability of ratepayers to afford any proposed increase of rates prior to implementing any increase of property rates.
- 13.6. Any and all increases of property rates must be communicated to the local community in terms of paragraph 14 of this policy and the applicable provisions of the MFMA.

14. NOTIFICATION OF RATES

- 14.1. In terms of the provisions of section 16(2) of the MFMA, read with the provisions of section 22 of the MFMA, the public must be informed of the rates on property which the Municipality intends to levy in the next financial year as contained in the Municipality's annual budget. The public then may submit representations regarding the contents of the said annual budget in terms of the provisions of section 22(a)(ii) of the MFMA.
- 14.2. Once the Council has, considered, in terms of the provisions of section 24(1) of the MFMA, amongst others, the representations by the public, the Council may proceed to approve the annual budget, and once it has done so the Municipality shall have levied the rate as contained in the annual budget as contemplated in terms of the provisions of section 24(2) (c) (i) of the MFMA.
- 14.3. The Municipality must give notice to the local community of the rates levied on property in accordance with the provisions of section 14 of the MPRA, which in turn requires that the resolution levying the rates on property be promulgated by publishing the resolution levying the rates in the Provincial Gazette and within 60 (sixty) days after the passing of the resolution levying the rates:
- 14.3.1. in terms of the provisions of section 14(3)(a) and (b) of the MPRA, whenever a Municipality passes a resolution as referred to in sub-paragraph 14.3. above, the Municipal Manger must, within 60 (sixty) days after the passing of the resolution levying the rates:
- 14.3.1.1. Conspicuously display the resolution for a period of at least 30 (thirty) days:
- 14.3.1.1.1. at the Municipality's head and satellite offices and libraries; and
- 14.3.1.1.2. if the Municipality has an official website or a website available to it as envisaged in section 21B of the Systems Act, on that website; and
- 14.3.1.2. Advertise in the media a notice stating that:
- 14.3.1.2.1. a resolution levying a rate on property has been passed by the Council; and
- 14.3.1.2.2. 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.

- 14.4. The resolution levying the rates must contain the date on which the resolution was passed, differentiate between different categories of properties and reflect the cent amount in the rand rate for each category of property.

15. PAYMENT OF RATES

- 15.1. A ratepayer has the option to pay the rates for which such ratepayer is liable to the Municipality in one annual instalment on or before the end of September of a given year, or to pay such rates on a monthly basis on or before the last day of the month.
- 15.2. If the owner of rateable property wishes to opt for the payment of rates annually in one instalment, such owner must notify the Municipal Manager in writing of such election and the owner will then become liable to the Municipality to pay the rates on an annual basis, and full payment of the rates to be received by no later than the last day of September.
- 15.3. Interest on arrear rates will be levied and payable as set out in terms of the provisions of section 75A(1)(b) of the Systems Act, read with section 97(1)(e) of the Systems Act and the applicable provisions of the Credit Control & Debt Collection Policy and by-laws of the Municipality.
- 15.4. If the owner of rateable property fails neglects or refuses to pay such rates, which owes and due to the Municipality, the Municipality must recover such rates in accordance with the provisions of its Customer Care, Debt Collection and Credit Control Policy of the Municipality, read with the provisions of Chapter 9 of the Systems Act.
- 15.5. Arrear rates may be recovered from any tenants or occupiers of a rateable property or their agent as set out in terms of the provisions of sections 28 and 29 of the MPRA. (Read together with the Customer Care, Debt Collection and Credit Control Policy).

16. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

- 16.1. Rates on property in respect of a sectional title scheme, shall be levied on the individual sectional title units in the scheme and not on the property as a whole.
- 16.2. The rate levied on a sectional title unit is payable and must be recovered from the owner of such unit or the holder of a right contemplated in section 25 or 27 of the Sectional Titles Act, Act 95 of 1986, and no rates in respect of any such unit or right may be recovered from the established body corporate of the scheme.

- 16.3. The provisions of sub-paragraph (2) above do not exempt a body corporate of a sectional title scheme from the payment of rates on a sectional title unit in respect of which such body corporate is the owner.
- 16.4. A body corporate which controls a sectional title scheme may not apportion and collect rates contemplated in terms of the MPRA from the owners of the sectional title units in such scheme.
- 16.5. The common area of the property in sectional title schemes, shall be proportionally divided and included into each sectional title unit and these proportioned common areas shall be payable by the owners of the specific sectional title units.

17. ACCOUNTS TO BE FURNISHED

- 17.1. The Municipality must furnish every owner of rateable property liable for the payment of such rates with a written account therefore, which account must provide:
- 17.1.1. The amount due for such rates;
 - 17.1.2. The date upon or before which the rates are payable;
 - 17.1.3. The manner in terms of which the rates was calculated;
 - 17.1.4. The municipal value of the property for which the account was furnished
 - 17.1.5. The percentage or amount of any applicable exemptions, reductions and/or rebates.
- 17.2. An owner of rateable property who/which is liable for the payment of such rates remains liable for the payment thereof, irrespective of whether or not such owner received an account furnished by the Municipality therefore.
- 17.3. An owner contemplated in sub-paragraph (2) above, must enquire and attempt to obtain such account from the Municipality for the payment thereof and is responsible for enquiring and ascertaining from the Municipality, monthly and timeously, the amount due to the Municipality should no account be received.
- 17.4. Where a rateable property is owned by 2 (two) or more owners, the Municipality may recover the applicable property rate therefore from anyone of the owners in order to reduce its administrative costs and in terms of the provisions of section 24(2) (a) of the MPRA.

- 17.5. The Municipality and the ratepayer have the rights in respect of accounts, as set out in terms of the provisions of section 102 of the Systems Act and the provisions of the Customer Care, Debt Collection and Credit Control Policy of the Municipality dealing with accounts.

18. FREQUENCY OF VALUATION

- 18.1. The Municipality must prepare a new valuation roll at least every 5 (five) financial years, and reserves the right to extend the validity of the valuation roll to 7 (seven) financial years in terms of the provisions of section 32(2) (b) of the MPRA No 6 of 2004.
- 18.2. Supplementary valuations will be done on a continuous basis to ensure that the valuation roll is properly updated, as provided for in terms of the provisions of section 78 of the MPRA.

19. COMMUNITY PARTICIPATION

This policy may only be adopted once the Municipality has followed a process of community participation, in accordance with the provisions set out in Chapter 4 of the Systems Act and section 4(2) of the MPRA, and the Municipality must further take all comments and representations received as a result of the community participation process into account when it considers the adoption of this policy.

20. REGISTER OF PROPERTY

The Municipality must compile, maintain and display a register of properties in accordance with the provisions of section 23 of the MPRA.

21. CERTIFICATE OF OCCUPANCY

- 21.1. Prior to a residential property being eligible for a rebate, a certificate of occupancy must have been issued in respect thereof, by the Municipality.
- 21.2. The onus of obtaining a certificate of occupancy rests with the owner of a property.

22. ILLEGAL USE OF PROPERTY

- 22.1. If a property is used for a use, other than that permitted for the property by the applicable provisions of the Land Use Management Scheme (also referred to as the “illegal use of the property”), the Municipality will be entitled to levy on the property concerned the highest tariff provided for in the differential rate categories of the Municipality.
- 22.2. The owner of property contemplated in sub-paragraph (22.1.) above then bears the onus of satisfying the Municipality that the illegal use of the property has ceased and may request in writing from the Municipality to proceed to reinstate the levying of rates against the property as per the valuation roll;
- 22.3. Such a request in writing by the owner of the property must be accompanied by an affidavit by the owner of the property, confirming that the illegal use of the property has been ceased and that the property is being used for the use allowed for the property in terms of the provisions of the Land Use Management Scheme;
- 22.4. The Municipality shall consider the request and if the cessation of illegal use of the property is verified and if the request is approved, the Municipality will reinstate the levying of rates against the property as per the valuation roll.

23. INSPECTION OF AND OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL OF THE MUNICIPALITY

- 23.1. Once the Municipality has given notice in terms of the provisions of section 49 of the MPRA that the valuation roll is open for public inspection, any person may within such period stated in section 49(1)(a) of the MPRA, in terms of the provisions of section 50(1) of the MPRA:
- 23.1.1. Inspect the roll during office hours;
 - 23.1.2. Upon payment of a fee as approved by Council, request the Municipality during office hours to provide an extract from the roll; and
 - 23.1.3. May lodge an objection with the Municipal Manager against any matter reflected in, or omitted from the roll.
- 23.2. An objection as contemplated in sub-paragraph 23.1.3. above, must be in relation to a specific individual property and not against the valuation roll as a whole.
- 23.3. The lodging of an objection **does not defer liability for the payment of rates** beyond the date determined therefore.
- 23.4. All objections received shall be dealt with in the manner prescribed in terms of the provisions of section 51 to section 54 of the MPRA.

24. BY-LAWS TO GIVE EFFECT TO RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of this policy.

25. POLICY REVIEW

This policy must be reviewed annually by the Council of the Municipality as prescribed in terms of the provisions of section 5 of the MPRA.

SCHEDULE “A” – REBATE ON RATES

NO.	CATEGORY / DESCRIPTION	APPLICABLE REBATE
1.	<u>Exemptions:</u>	
1.1	<u>Residential</u>	
	A Municipality may not levy a rate on:	
	1. The first R15 000.00 of the market value of a property assigned in the valuation roll or supplementary valuation roll is compulsory exempted from the levying of rates as per the provisions of section 17(1)(h) of the MPRA.	R 50,000.00 Ratio 1:1
	2. An additional R35 000.00 rebate be granted on the general rate subject thereto;	in terms of the provisions of section 19(1)(b) of the MPRA
	3. that the residential property has been developed by way of a habitable house.	
	4. that the property is used for only residential purposes.	
2.	<u>Reductions:</u>	
	in the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property	
3.	<u>Rebates:</u>	
3.2	<u>Public Benefit Organizations</u>	Ratio 1:0.25 in terms of the provisions of section 19(1)(b) of the MPRA

3.3	<u>Agricultural/Farming Land</u>	Ratio 1:0.25
		in terms of the provisions of section 19(1)(b) of the MPRA
3.3.1.	<u>Calculation of Rebate on Farming/Agricultural land</u>	
	The owner's account must be up to date in order to qualify for a rebate	
	No municipal roads next to property	7.5%
	No municipal sewerage to the property	7.5%
	No municipal electricity to the property	7.5%
	No water supply to the property by the Municipality	15%
	No refuse removal provided by the Municipality	7.5%
3.3.2.	<u>The contribution to job creation</u>	5%
	If the owner is providing permanent residential property to the farm workers and such property is registered in the name of such farm workers.	5%
	If such residential properties are provided with potable water.	5%
	If the owner has provided electricity to the residential properties of his farm workers.	5%
3.4.	<u>Retired and/or disabled persons on residential property only:</u>	
	Owner with a gross monthly income from (R 0.00 – R4 220.00)	100%
	Owner with a gross monthly income from (R 4 221.00 – R9 500.00)	40%
	Owner with a gross monthly income from (R9 501.00 – R12 500.00)	30%
	Owner with a gross monthly income from (R12 501.00 – R14 500.00)	20%
	Owner with a gross monthly income from (R14 501.00 – R16 500.00)	10 %

PROPERTY RATES RATIOS

DESCRIPTION CATEGORIES	RATE RATIO	
	<u>Previous</u>	<u>Approved</u>
Agriculture (Farm Number but residential)	1:1	1:1
Agriculture (Bone Fide Farmer no services)	1:0.25	1:0.25
Bed and Breakfast / Guest Houses	1:2.385	1:2
Business (Including Sectional Title Business)	1:2.385	1:2
Early Development Centres	1:2.385	1:2
Hospitality Industry	1:2.385	1:2
Industrial	1:2.385	1:2
Mining	1:2.385	1:2
Normal Residential	1:1	1:1
Private Hospitals and Clinics	1:2.385	1:2
Private Road	1:2.385	1:2
Private Schools	1:2.385	1:2
Private Vacant Land	1:2.385	1:2
Public Benefit Organizations	1:1	1:0.25
Public Open Spaces	1:2.385	1:2
Public Service Infrastructure	1:1	1:0.25
Sectional Title Residential	1:1	1:1
State Owned Properties	1:2.385	1:0.25



AGRICULTURAL PROPERTY REBATE APPLICATION

SCHEDULE "B"

NAME: _____

CONTACT NR:

POSTAL ADDRESS: _____

NAME OF FARM:

ACCOUNT NR: _____

PORTION NR:

SARS/INCOME TAX NR: _____

SCHEDULE OF REBATES

<u>CATEGORY/DESCRIPTION</u>	PROPOSED	YES	NO
	REBATE		

REBATES ON AGRICULTURAL LAND

Municipal roads next to the property	7.5%
Municipal sewerage to the property	7.5%
Municipal electricity	7.5%
Water supply to the property by the municipality	15%
Refuse removal provided by the municipality	7.5%

SUB TOTAL

CONTRIBUTION TO SOCIAL AND ECONOMIC WELFARE OF FARM WORKERS

Contribution to job creation	5%
Permanent residential property provided to the farm workers	5%
Residential property provided with portable water	5%
Residential property provided with electricity	5%

SUB TOTAL

TOTAL

SCHEDULE "C"

FOR OFFICE USE ONLY/ SLEGS VIR KANTOOR GEBRUIK

INCOME PER MONTH/ INKOMSTE PER MAAND

PENSION/ PENSIOEN :

OTHER/ ANDER :

TOTAL/ TOTAAL :

VALUATION/ WAARDASIE :

REBATE / KORTING :

ACC NO/ REK NO :

REGISTERED OWNER FROM/ GEREGISTREERDE EIENAAR

VANAF :

PLEASE NOTE: Qualifying requirements are that the owner should provide proof that he/she is registered as a *bona Fide* farmer with SARS and that the owner's account is up to date.

If the application form is completed incorrectly, no rebate will be granted.

Declaration:

I, _____ (Full names and surname)

Declare under oath:

1. That the above answers and declarations are correct.
2. That should any of the above change, I will, without delay inform the Chief Financial Officer accordingly.

Signature: _____

Date: _____

I, _____ hereby certify (full names and surname)

That before I administer an affidavit the above questions were enquired of the applicant and the answers have been written in the applicant's presence.

Signature: _____ Date: _____



**ACCORDING TO ARTICLE 15(2) PROPERTY RATES LAW NO 6 OF 2004 AS AMENDED/
INGEVOLGE ARTIKEL 15(2) EIENDOMSBELASTINGWET NO 6 VAN 2004 SOOS GEWYSIG.**

**THE CITY OF MATLOSANA/ DIE STAD VAN MATLOSANA
APPLICATION FOR PARTIAL REBATE OF ASSESSMENT RATES/ AANSOEK OM GEDEELTELIKE
KWYTSKELDING VAN EIENDOMSBELASTING.**

Surname/Van:

Full Names/Volle Name:

Identification Number/Identiteit Nommer:

Residential Address/Woon adres:

Married Status/Huwelikstatus:

Contact Numbers/Kontak Nommers: **Cell:** **(h)**..... **(w)**.....

Sworn Affidavit/Beëdige Verklaring

Herby confirm under oath that:/Verklaar onder eed

1. I am the registered owner of Erf/Holding/ Ek is die geregistreerde eienaar van erf:

Account Number/Rekening Nommer:

Extention/Uitbreiding:

2. I am 60 years of age or older on 1 July of the particular Financial year/ Ek is 60 jaar oud of ouer op 1 Julie van die
betrokke Belasting jaar

Y/J	N
-----	---

3. If I am medically unfit and receive a disability grant I will provide the relevant documentation /Indien ek permanent
medies ongeskik is om te werk sal ek die nodige bewyse aanheg.

Y/J	N
-----	---

4. If married the Bruto income of both spouses must be brought into consideration, meaning the total household
income/Sou u getroud wees moet die gesamentlike inkomste in berekening gebring word d.w.s totale Bruto
inkomste van die huishouding.

PLEASE NOTE/LET WEL:

**IF THE APPLICATION FORM IS INCOMPLETE AND THE REQUIRED DOCUMENTS ARE NOT SUPPLIED
THE REBATE WILL BE DENIED/INDIEN DIE AANSOEK VORM ONVOLLEDIG IS EN DIE NODIG
DOKUMENTASIE NIE AANGEHEG IS NIE, SAL GEEN AFSLAG TOEGESTAAN WORD NIE.**

1. All proof of income must be provided, interest received on investments, pension or any monthly income, with the
latest statement date. **NO BANK STATEMENTS WILL BE ACCEPTED/** Bewys van alle inkomste, rente ontvang op
beleggings, pensioen, en bewys van enige ander maandelikse inkomste, moet aangeheg word **.GEEN BANK
STATE SAL AANVAAR WORD NIE.**

2. If the applicants spouse is unemployed/and not receiving a monthly pension, a sworn affidavit should be handed in/
Indien die vrou werkloos of geen inkomste/pensioen ontvang nie, moet 'n beëdige verklaring ingehandig word.

3. Occupy the property as his/her normal residence/ Okkupeerder van die eiendom as hom/haar normale residensie.

4. The applicant must be the registered owner and the occupant of the appropriate property; which is exclusively used
for residential purposes only/ Die aansoeker moet die geregistreerde eienaar en die bewoner wees van die betrokke
eiendom, wat uitsluitlik gebruik word residensiële doeleindes.

5. Not own more than one property/ Nie meer as een eiendom besit nie.

6. Be at least 60 years of age or in receipt of a disability pension from the Department of Social Development/ Ten
minste 60 jaar oud wees of in die ontvangs wees van dokumentasie 'n ongeskikheidspensioen van die Departement

van Sosiale Ontwikkeling.

DECLARATION/VERKLARING:

I/EK.....
.....

(Full names and surname/Volle name and van)

Declare under oath/Verklaar onder eed/bevestig plegtig:

1. That the above answers and declarations are correct/Dat die voorafgaande antwoorde en verklarings na my beste wete en oortuiging korrek is,
2. That should any of the information change I will without delay inform the Financial Service Manager accordingly/.Dat, indien enige van die voorafgaande besonderhede verander, ek die Hoof Finansiële Beampte onverwyld daarvan in kennis sal stel.

.....
SIGNATURE/HANDTEKENING

I/EKCERTIFY/
SERTIFISEER

1. That before I administer an affidavit the following questions were asked of the applicant and the answers has been written down in the applicant's presence/ Dat voordat ek die voorgeskrewe eed/bevestiging afgeneem het, ek die volgende vra aan die verklaarder gestel het en sy/haar antwoord in sy/haar teenwoordigheid neergeskryf het:
 1. Are you familiar with the content of the affidavit and do you understand the content? / Is u vertrou met die inhoud van bostaande verklaring en begryp u dit?
Answer/ Antwoord:
 2. Have you any objection to the prescribed oath? / Het u enige beswaar teen die afle van die voorgeskrewe eed?
Answer/ Antwoord:
 3. Do you consider the prescribed affidavit binding to your conscience? / Beskou u die voorgeskrewe eed as bindend vir u gewete?
Answer/ Antwoord:
4. That the declarer admits that he/she is familiar with the contents of the declaration and understands. I hereby certify that the declarer signed the form in my presence/ Dat die verklaarder erken dat hy/sy vertrou is met die inhoud van die verklaring en begryp. Hierdie verklaring is beëdig/bevesting voor my en verklaarder se handtekening/duimafdruk/merk is in my teenwoordigheid daarop aangebring.

ADDRESS/ ADRES:

AREA:.....

POSITION/ AMP:

.....
COMMISSIONER OF OATHS/ KOMMISSARIS VAN EDE