



RATES POLICY

UTHUKELA DISTRICT MUNICIPALITY

Adopted by the Uthukela District Municipality's Council
on the 28th day of May 2009

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PREAMBLE

Uthukela District Municipality has resolved to implement the Municipal Property Rates Act, 6 of 2004 (Act. No. 6 of 2004) [the MPRA] on 1 July 2009. Section 3 of the MPRA requires the Municipality to adopt a policy consistent with the MPRA on the levying of rates on rateable property in the Municipality.

This Rates Policy for Uthukela District Municipality determines how properties are rated and must be read in conjunction with the MPRA and ancillary legislation.

DEFINITIONS

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property Rates Act 6 of 2004 (“the Act”) and for this purpose lists hereunder the definitions used in the Act.

In this Act, unless the context indicates otherwise—

“**agent**”, in relation to the owner of a property, means a person appointed by the owner of the property—

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

“**agricultural purpose**”, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

“**Arrear rates**” means any amount due for payment of rates which remains unpaid after the due date for payment

“**annually**” means once every financial year;

“**appeal board**” means a valuation appeal board established in terms of section 56;

“**assistant municipal valuer**” means a person designated as an assistant municipal valuer in terms of section 35 (1) or (2);

“**category**”—

- (a) in relation to property, means a category of properties determined in terms of section 8; and
- (b) in relation to owners of properties, means a category of owners determined in terms of section 15 (2) of these bylaws;

“data-collector” means a person designated as a data-collector in terms of section 36;

“date of valuation” means the date determined by a municipality in terms of section 31 (1);

“district management area” means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

“district municipality” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155 (1) of the Constitution as a category C municipality;

“effective date”—

(a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32 (1); or

(b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78 (2) (b);

“exclusion”, in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17;

“exemption”, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

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

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“land reform beneficiary”, in relation to a property, means a person who—

(a) acquired the property through—

(i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or

(ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

(b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

(c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25 (6) and (7) of the Constitution be enacted after this Act has taken effect;

“land tenure right” means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

“local community”, in relation to a municipality—

(a) means that body of persons comprising—

(i) the residents of the municipality;

- (ii) the ratepayers of the municipality;
- (iii) any civic organizations and non-governmental, private sector or labour organizations 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

(b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“local municipality” means 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;

“MEC for local government” means the member of the Executive Council of a province who is responsible for local government in that province;

“metropolitan municipality” means a municipality that has exclusive executive and legislative authority in its area, and which is described in section 155 (1) of the Constitution as a category A municipality;

“Minister” means the Cabinet member responsible for local government;

“multiple purposes”, in relation to a property, means the use of a property for more than one purpose;

“municipal council” or “council” means a municipal council referred to in section 18 of the Municipal Structures Act;

“Municipal Finance Management Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“municipality”—

(a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and

(b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“municipal valuer” or “valuer of a municipality” means a person designated as a municipal valuer in terms of section 33 (1);

“newly rateable property” means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding—

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

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

“organ of state” means an organ of state as defined in section 239 of the Constitution;

“owner”—

- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee, in the case of a property in a trust excluding state trust land;
 - (ii) an executor or administrator, in the case of a property in a deceased estate;
 - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of—

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

“person” includes an organ of state;

“prescribe” means prescribe by regulation in terms of section 83;

“property” means—

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

“property register” means a register of properties referred to in section 23;

“protected area” means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

“Protected Areas Act” means the National Environmental Management: Protected Areas Act, 2003;

“publicly controlled” means owned by or otherwise under the control of an organ of state, including—

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act (Act No 32 of 2000);

“public service infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);

“rate” means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution of the Republic of South Africa, 1996;

“rateable property” means property on which a municipality may in terms of section 2 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 on the amount of the rate payable on the property;

“reduction”, in relation to a rate payable on a property, means the lowering granted in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

“register”—

- (a) means to record in a register in terms of—
 - (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- (b) includes any other formal act in terms of any other legislation to record—
 - (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

“residential property” means a property included in a valuation roll in terms of section 48 (2) (b) as residential;

“Sectional Titles Act” means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

“sectional title scheme” means a scheme defined in section 1 of the Sectional Titles Act;

“sectional title unit” means a unit defined in section 1 of the Sectional Titles Act;

“specified public benefit activity” means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act (Act No 55 of 1962);

“state trust land” means land owned by the state—

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

“this Act” includes regulations made in terms of section 83 of Act 6 of 2004;

- (a) In this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

Other Definitions

“agricultural property” means a property used for agricultural purposes and shown as such in the valuation roll excluding a property used for the purpose of eco-tourism or for the trading in or hunting of game.

“arrear rates” means any rates which remain unpaid after the due date for payment.

“**child**” means 18 years or younger

“**child headed household**” means any child of the owner of the property who is responsible for the care of siblings or parents

“**disabled**” means a person who qualifies to receive relief in terms of the Social Services Act, 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioner;

“**Indigent owner**” means an owner of property who is in permanent occupation of the property and is registered as an indigent in terms of the municipality’s indigent policy.;

“**MPRA**” means the Municipal Property Rates Act, 6 of 2004 (Act. No. 6 of 2004)

“**the Municipality**” means Uthukela District Municipality;

“**owners of property in an area affected by a disaster**” means owners of property situated within an area affected by:

- (a) a disaster within the meaning of the Disaster Management Act 57 of 2002;
- (b) any other serious adverse social or economic conditions;

“**pensioner**” means

- (a) a person 60 years or older; or
- (b) a person who has been medically boarded

“**primary property**” means the property at which the owner permanently resides

“**Residential property**” means any property used for living purposes which forms a living unit that is used as a dwelling for human habitation purposes, or a multiple number of such units but excludes:

- a hotel, or
- an accommodation establishment including a bed and breakfast; or
- a dwelling where more than one third is used for other purposes

“**right of Extension**” means a right of extension registered in terms of a Sectional Title Scheme

“**Sectional Title Scheme**” means any scheme in terms of the Sectional Titles Act

“**non-profit organization**” means any organization which is registered in terms of the Non- profit Organizations Act.

“**unemployed**” means any person who qualifies to register in terms of the municipality’s indigent policy;

1. **IMPLEMENTATION OF AND EFFECTIVE DATE**

1.1 This policy takes effect from 1 July 2009 being the effective date of the first valuation roll prepared by the municipality in terms of the MPRA and must accompany the municipality's budget for the financial year.

1.2 The Rates Policy will be reviewed annually, and if necessary amended by the Municipality such amendments to be effected in conjunction with the Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.

1.3 The Municipality has adopted by-laws to give effect to the implementation of its Rates policy and such by-laws must be read in conjunction with this policy. The rates by-laws may differentiate between:

1.3.1 categories of properties; and

1.3.2 categories of owners of properties.

1.4 The by-laws adopted in terms of Item 1.3 may be reviewed annually, and if necessary be amended by the Municipality, in conjunction and in accordance with the Rates Policy.

2. **THE PURPOSE OF THIS POLICY**

The purpose of this policy is to:

2.1 ensure compliance with the provisions section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

2.2 determine the methodology and prescribe procedures for the implementation of the Act;

- 2.3 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 2.4 determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 2.5 determine the principles and criteria to be applied for granting relief from payment of rates;
- 2.6 determine how the municipality's powers must be exercised in relation to multipurpose properties;
- 2.7 determine how the municipality's powers must be exercised in relation to levying differential rating;
- 2.8 identify which categories of properties the municipality has elected not to rate as provided in section 7 of the act;

3 MARKET VALUE

- 3.1 All properties are valued at market value in terms of the provisions of section 46 of the MPRA.
- 3.2 In assessing the market value, the Municipal Valuer may take cognizance of any guidelines or recommendations issued by the South African Institute for the Valuers, the KwaZulu-Natal Department of Local Government and Traditional Affairs and/or the National Department of Local Government or any other recognized government or Institution.

4 RATE RANDAGE

The Municipality will, by resolution, as part of each annual budget process, determine a rate as a cent in the rand, based on the property value appearing in the valuation roll applicable to that financial year.

5 BASIC DECISIONS AROUND RATING

5.1 This municipality has resolved:

- 5.1.1 to levy rates on all rateable property in its area of jurisdiction.
- 5.1.2 that the date of implementation is 1 July 2009.
- 5.1.3 that the date of valuation is 1 July 2008
- 5.1.4 that it may levy different cents in the rand for different categories of rateable property subject to the act and any prescribed ratios in respect of rate randage.
- 5.1.5 that the category of property will be determined based on the actual use of the property. A change of use may result in a change in the category of property.
- 5.1.6 that the valuations for multiple purpose usage will be based on the dominant use of the property.
- 5.1.7 that it may rate public service infrastructure.
- 5.1.8 that in terms of the act, in addition to those defined in the act as the owner , to regard the following persons as the owner of a property in the following cases:
 - 5.1.8.1 A trustee, in the case of a property in a trust excluding state trust land;
 - 5.1.8.2 An executor or administrator, in the case of property in a deceased estate;
 - 5.1.8.3 A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation
 - 5.1.8.4 A judicial manager, in the case of property in the estate of a person under judicial management
 - 5.1.8.5 A curator, in the case of a property in the estate of a person under curatorship
 - 5.1.8.6 Persons in whose name the following personal rights are registered:
 - 5.1.8.6.1 Holders of a right of extension registered in terms of a section title scheme;

- 5.1.8.6.2 A lessee, in the case of property that is registered in the name of a municipality and is leased by it;
- 5.1.8.6.3 A buyer, in the case of property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of a buyer.

6. CATEGORIES OF PROPERTIES AND CRITERIA FOR ASSESSING THE CATEGORIES

6.1 In determining the categories of properties based on actual use, the Municipality has determined the following categories:

- 6.1.1 Properties used for agricultural purposes
- 6.1.2 Commercial and business
- 6.1.3 Industrial
- 6.1.4 Residential
- 6.1.5 Municipal use
- 6.1.6 Public Service Infrastructure
- 6.1.7 State and Trust Land
- 6.1.8 Properties acquired by a land reform beneficiary
- 6.1.9 Properties on which national monuments are proclaimed and used for such
- 6.1.10 Properties used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act
- 6.1.11 Properties used for multiple purposes
- 6.1.12 Properties used for crèche purposes
- 6.1.13 Properties used for clinic purposes
- 6.1.14 Properties used for library purposes
- 6.1.15 Properties used for post office purposes
- 6.1.16 Properties used for police station purposes
- 6.1.17 Properties used for magistrates courts
- 6.1.18 Properties used for education purposes

- 6.1.19 Properties used for place of worship purposes
- 6.1.20 Properties used for sport facility purposes
- 6.1.21 Properties used for cemeteries
- 6.1.22 Properties used for racetrack
- 6.1.23 Properties used for quarry
- 6.1.24 Properties used for zoo and/or game reserve
- 6.1.25 Sectional Title properties
- 6.1.26 A Real Right of Extension registered in terms of a Sectional Titles Scheme
- 6.1.27 Rural Communal Land
- 6.1.28 Nature Reserve /National Park/Conservation
- 6.1.29 State and Trust land
- 6.1.30 Bed and breakfast establishments

6.2 In determining whether a property is used for agricultural purposes, cognizance shall be taken of the following:

- 6.2.1 Whether the usage is that of a bone fide farm by way of a business or commercial farming
- 6.2.3 Whether the dominant use excludes any of the categories listed in 6.1.2-6.1.28 above;
- 6.2.4 Whether the property has been zoned for agricultural usage;
- 6.2.5 The usage reflected on the aerial photography of the property, the adjacent properties and properties in the immediate proximity;
- 6.2.6 Whether the property is situated outside of a township and/or is regarded as being a “rural” property
- 6.2.7 The access to the property;
- 6.2.8 Whether the property is subject to the provisions of the Subdivision of Agricultural Land Act 1970 (Act No. 79 of 1970)

7 MULTIPLE PURPOSE PROPERTIES

Properties used for multiple purposes will be categorized according to the dominant usage.

7.1 In considering what constitutes the dominant use, the Municipal Valuer will assess the primary use to which the property is put and determine the category of use based on this primary usage. In assessing what constitutes the primary/dominant usage the Municipal Valuer shall:

7.1.1 establish the largest measured extent under the primary usage (land and/or buildings) and assign that usage to the applicable category in clause 6 above; or

7.1.2 determine the highest gross rental of usage (land and/or buildings) and assign that usage to the applicable category in clause 6 above;

7.2 Once the multiple purpose property has been assigned to its category of usage:

7.2.1 the value will be assessed based on that usage; and

7.2.2 The rate randage applicable to that category of property will be applied for rating purposes;

7.3. The provisions of sub paragraphs 7.1- 7.2 shall not apply to Rural Communal and State Trust land.

7.4 In determining the category into which vacant land shall fall, the following criteria shall be applied:

7.4.1 If the property is being used, it shall be assigned to the category for which it is being used;

7.4.2 If the property is not being used, and it is zoned, it shall be assigned to the category which most closely matches the zoned usage;

- 7.4.3 Where the property is not zoned it shall be assigned to the category based on its highest and best potential as determined by the Municipal Valuer.
- 7.5 In the case where the dominant use is exempt from the payment of rates, and the remainder of the property is used for another purpose/s, the remainder will be assessed on that usage/s and categorized as a multiple use.
- 7.6 In the case of State and Trust Land and Rural Communal Land the different usage will be assessed pro rata and assigned to a category.

8. RATES RELIEF

- 8.1 The municipality has considered the need to grant relief to certain ratepayers (including the poor) with a view to providing for appropriate measures to alleviate the impact of the rates burden on them;
- 8.2 The municipality may only grant rates relief in the form of:
 - 8.2.1 a rebate of the rates; and/or
 - 8.2.2 a reduction in the property value on which rates will be raised;
 - 8.2.3 an exemption from rating.
- 8.3 Rates relief may only be granted to:
 - 8.3.1 a category of property, or
 - 8.3.2 a category of owner of propertyand the municipality may not grant relief to the owners of properties on an individual basis.

9 CATEGORIES OF OWNERS ENTITLED TO RELIEF

9.1 This municipality has identified the *categories of owners* below who may benefit from rates relief:

- 9.1.1 indigent owners;
- 9.1.2 a person who has been medically boarded;
- 9.1.3 pensioners;
- 9.1.4 owners of property situated within an area affected by:
 - 9.1.4.1 a disaster within the meaning of the Disaster Management Act 57 of 2002;
 - 9.1.4.2 any other serious adverse social or economic conditions;
- 9.1.5 owners of residential properties below a market value determined by the Municipality;
- 9.1.6 Public benefit organizations who conduct the following specified public benefit activities:
 - 9.1.6.1 welfare and humanitarian; or
 - 9.1.6.2 health care; or
 - 9.1.6.3 education; and
 - 9.1.6.4 are registered in terms of the Income Tax Act for tax reductions because of the activities referred to in (9.1.6);
- 9.1.7 minor children who are the head of a household as defined in child headed household;
- 9.1.8 disabled persons;
- 9.1.9 unemployed;
- 9.1.10 any other category as may be determined by the Municipality by resolution.
- 9.1.11 Non-profit organizations registered in terms of the non-profit organizations act who's activities are not of a public and charitable nature as may be specified by the municipality from time to time

10 EXEMPTIONS

10.1 EXEMPTIONS GRANTED TO CATEGORIES OF PROPERTIES

The Municipality may exempt in total, from payment of rates the following categories of properties:

- 10.1.1 Property registered in the name of and used primarily as a place of public worship by a religious community including one official residence also registered in the name of that community, which is occupied by an office bearer who officiates at services at that place of public worship.
- 10.1.2 Property which may be registered in the name of the Ingonyama Trust Board, the State or a Trust, which is used primarily as a place of public worship by a religious community including an official residence, which is occupied by an office bearer who officiates at services at that place of public worship.

10.2 EXEMPTIONS GRANTED TO CATEGORIES OF OWNERS OF PROPERTIES

The Municipality has resolved to exempt from the payment of rates the following categories of owners of properties:

- 10.2.1 Properties owned by public benefit organizations which are used for any specific public benefit activities listed in Part 1 of the 9th Schedule to the Income Tax Act;
- 10.3 All applications for exemptions shall be granted on an annual basis upon written application on the prescribed form as follows:
 - 10.3.1 application for each financial year must be lodged in the prescribed format with the Municipal Manager on or before the date specified by the Municipality;
 - 10.3.2 in the case of public benefit organizations upon proof of:
 - 10.3.2.1 registration in terms of the requirements of the Income Tax Act; and

- 10.3.2.2 an affidavit signed by the chairperson or secretary of the public benefit organization or nonprofit organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the said public benefit organization;
 - 10.3.3 in the case of a religious community upon proof of submission:
 - 10.3.3.1 that the property is used primarily as a place of public worship; and
 - 10.3.3.2 that the property is registered in the name of the applicant by producing a copy of a title deed issued by the Deeds Registry within the last 2 months; and
 - 10.3.3.3 an affidavit signed by the person officiating at the place of worship that the property occupied as the residence is occupied by the office bearer who officiates at services at that place of worship;
 - 10.4 The Municipality may on application grant an exemption to any portion of a property owned by any person and which is:
 - 10.4.1 used primarily as a place of public worship; and
 - 10.4.2 in the case of any residence, occupied by an office bearer who officiates at services at that place of worship;
- provided that the provisions of clauses 10.3.3.1-10.3.3 above apply mutates mutandis
- 10.5 The Municipality reserves the right to specify such other requirements as the Municipal manager deems necessary from time to time.

11. **REDUCTIONS**

- 11.1 It is recorded that the municipality is precluded from levying rates on the following categories determined by the municipality:

- 11.1.1 the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality for residential properties in terms of section 17(1)(h) of the Act;
 - 11.1.2 the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality for multi purposes, relating to that portion used for residential purposes only;
 - 11.1.3 On the first 30% of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality for Public Service Infrastructure in terms of section 17(1)(a) of the Act
- 11.2 The municipality may resolve to further reduce the value upon which rates will be levied by an amount determined by the Municipality by resolution of the council at its annual budget in respect of residential properties or properties used for multiple purposes, provided that:
- 11.2.1 one or more components of the property are used for residential purposes; and
 - 11.2.2 the provisions of 12.6.1-12.6.5 shall apply

12 RATES REBATES

REBATES FOR CATEGORIES OF PROPERTIES

- 12.1 The municipal Council may at its annual budget resolve to grant rebates to any of the categories of properties as determined in this policy.
- 12.2 The Municipality may grant a life line benefit rebate on residential properties up to a value determined by a resolution of Council at its annual budget taking cognizance of the principle that such rebates shall address the indigent and poor.
- 12.3 The Municipality in considering the rebates on agricultural may take into account:
- 12.3.1 whether the property is used for bone fide farming activities

- 12.3.2 The services provided by the municipality in respect of such properties;
 - 12.3.3 The contribution of agriculture to the local economy;
 - 12.3.4 The extent to which agriculture assists in meeting the service delivery and development obligations of the Municipality;
 - 12.3.5 The contribution of agriculture of to the social and economic welfare of farm workers
- 12.4 In order to qualify for a rebate on the basis of a property used for agricultural purposes the municipality may require a tax certificate issued by the South African Revenue Services proving that the owner is taxed as a farmer shall be submitted.

REBATES FOR CATEGORIES OF OWNERS OF PROPERTIES

- 12.5 The municipality may by resolution of the council at its annual budget, grant rebates in respect of rates payable on the *primary* residence, to the following categories of owners of properties:
- 12.5.1 A pensioner
 - 12.5.2 Disabled persons
 - 12.5.3 Indigent persons
 - 12.5.4 Persons who have been medically boarded
 - 12.5.5 Owners of property in an area affected by a disaster
 - 12.5.6 Unemployed
 - 12.5.7 Child headed household
- 12.6 In order to qualify for the rebates in terms of 12.5.1-12.5.7 above the applicant must be the registered owner of the property and
- 12.6.1 be the sole owner of the primary property or owned jointly with his/her spouse;
 - 12.6.2 be living permanently on the property;
 - 12.6.3 the value of the applicant's primary property does not exceed a value determined by the Council at its annual budget
 - 12.6.4 provide proof of identity in the form of an identity document; and

- 12.6.5 substantiate items 12.6.1 to 12.6.2 above by way of a sworn affidavit before a Commissioner of Oaths;
 - 12.6.6 provide a medical certificate as required by the municipality if the application relies on a medical basis for the rebate;
 - 12.6.7 any other supporting documents specified by the municipality from time to time.
- 12.7 In order to qualify for the rebates as a minor child or unemployed, the person must be registered as an indigent in terms of the Council's indigent policy.
- 12.8 Rebates will be determined for each financial year by resolution of the Municipal Council at its budget.
- 12.9 The Council reserves the right, in granting any such rebates to:
- 12.9.1 restrict the type of relief that may be granted to each category of owner or category of owner of property; and
 - 12.9.2 impose any other conditions as it may deem appropriate from time to time.

13 WITHDRAWAL OF RELIEF

- 13.1 The entitlement to rates relief terminates immediately if:-
- 13.1.1 the applicant no longer qualifies for the relief;
 - 13.1.2 the provisions and requirements of this policy are contravened in any manner, and/or the category of property or category of owner of property no longer meet/s the specifications required for such rebate, reduction of exemption.
 - 13.1.3 the applicant has omitted to disclose any material information in the application, and/or has misrepresented any disclosure the application.

- 13.2 In the event that rates relief has been extended after the rates relief has terminated as provided for in 13.1 above, the owner will be liable to pay the rates due from the date of termination of the relief and such rates will be deemed to be arrear rates.
- 13.3 The onus rests with the owner or applicant to notify the municipality in writing immediately of its change of status or that it no longer qualifies for the relief.

14. DIFFERENTIAL RATING

- 14.1 Differential rating is the levying of different rates for different categories of properties. The Municipality may levy differential rates for different categories of rateable property properties as identified in this policy and the rates applicable to the different categories of properties are as resolved by the council and published in the Government Gazette.

15 IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT

- 15.1 It is recorded that the Municipality may not, in terms of section 17 of the Act levy a rate on-
- 15.1.1 the first 30% of the market value of public service infrastructure;
 - 15.1.2 any part of the seashore as defined in the Seashore Act, 1935 (Act No.21 of 1935);
 - 15.1.3 any part of the territorial waters of the Republic as determined in terms of the Maritime Zones Act, 1994 (Act No. 15 of 1994);
 - 15.1.4 any islands of which the state is the owner, including the Prince Edward Islands referred to in the Prince Edward Islands Act, 1948 (Act No. 43 of 1948);
 - 15.1.5 those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes;

- 15.1.6 mineral rights within the meaning of paragraph 18.1.2 of the definition of "property" in section 1;
 - 15.1.7 a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds;
 - 15.1.8 the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality-
 - 15.1.8.1 residential purposes;
 - 15.1.8.2 for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or
 - 15.1.9 on a property registered in the name of and used primarily as a for place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.
- 15.2 The exclusion from rates of a property referred to in subsection 15.1.5 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.
- 15.3 If the property in respect of which the declaration is withdrawn is privately owned, the owner, upon withdrawal of the declaration, becomes liable to the municipality concerned for any rates that, had it not been for subsection 17(1)(e) of the Act, would have been payable on the property during the period commencing from the effective date of the current valuation roll of the municipality. 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.
- 15.4 The amount for which an owner becomes liable in terms of paragraph (b) must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality.

15.5 Paragraphs 15.2 and 15.3 apply only if the declaration of the property was withdrawn because of-

15.5.1 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

15.5.2 a decision by the state to withdraw from such agreement because of a breach of the agreement by the private owner.

16. **CONSTITUTIONALLY IMPERMISSIBLE RATES**

16.1 The Act provides that in terms of Section 229(2)(a) of the Constitution of the Republic of South Africa, 1996 that a Municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice -

16.1.1 national economic policies;

16.1.2 economic activities across its boundaries; or

16.1.3 the national mobility of goods, services, capital or labour.

17. **LIABILITY FOR PAYMENT OF RATES**

17.1 The following persons shall be liable for the payment of rates levied by the Municipality:

17.1.1 the owner of a property;

17.1.2 joint owners of a property, who shall be liable jointly and severally;

17.1.3 the owner of a sectional title unit. In this regard joint owners of a sectional title property shall be liable jointly and severally;

17.1.4 The holder of Right of Extension in a Sectional Title Scheme

17.1.5 in relation to agricultural properties:

17.1.5.1 any one joint owner of the agricultural property for all the rates levied on the agricultural property; or

17.1.5.2 each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the Municipality may choose in relation to agricultural properties.

17.1.6 Any owner identified in clause 5.1.8 above

17.2 In terms of Section 26 of the Act the Municipality will recover rates

17.2.1 on a monthly basis over an 11 month period for the financial year, which rate must be paid for each monthly period as provided in the table below.

17.2.2 annually on or before the date determined by the council at its budget, provided that:

17.2.2.1 the applicant has applied to the Municipality on the prescribed form to pay rates on an annual basis; and

17.2.2.2 the Municipality has agreed in writing to the annual payment; and

17.2.2.3 the rates are not in arrears.

DATE OF FINAL PAYMENT FOR EACH FINANCIAL YEAR	
<u>Month for which rates are raised</u>	<u>Date for final payment</u>
July	31 August
August	30 September
September	31 October
October	30 November
November	31 December
December	31 January
January	28 February
February	31 March
March	30 April
April	31 May
May	30 June

18 COLLECTION OF RATES

18.1 The Municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.

18.2 A Municipality may recover arrear rates in from tenants and occupiers in accordance with the provisions of Section 28 of the Act.

18.3 A Municipality may recover arrear rates, either whole or in part, from the agent of the owner if this is more convenient for the Municipality and in terms of Section 29 of the Act.

18.4 The municipality reserves the right to refuse the provision of services to an owner or an occupant/ lessee of a property if:

18.4.1 the rates in respect of that property are in arrears; and/or

18.4.2 If the owner of the property is deceased, and the estate has either not been reported to the master or an Executor has not been appointed in respect of the deceased estate.

19. CONSOLIDATION OF ACCOUNTS

Separate accounts of persons liable for payment to the municipality for either rates or services may be consolidated in one account and any appropriation of payments will be done in accordance with the municipality's credit control policy.

20. NEWLY RATED PROPERTY

20.1 Any property which was not previously rated will be phased in subject to the conditions that:

20.1.1 property registered in the name of a land reform beneficiary will be phased in after the exclusion period in section 17(1) (g) of the Act;

20.1.2 property owned by Public Benefit Organizations will be phased in over a period of four financial years.

20.2 The phasing in period shall be as set out in the attached table.

Applicable rates for properties to be phased in over four years

Year	Percentage Rates Payable
First	Zero%
Second	25%
Third	50%
Fourth	75%

Applicable rates for properties to be phased in over three years

Year	Percentage Rates Payable
First	25%
Second	50%
Third	75%

21 MUNICIPAL OWNED PROPERTY

Property owned by the municipality will not be rated except as provided for in 5.1.8.12 and 5.1.8.13...

22 ACCRUED DEBT BY BODY CORPORATE

The sectional title owners shall be held jointly and severally liable for the current and accrued debt of the body corporate incurred prior to 1 July 2009.

23 RECOVERY OF RATES

The municipality may provide for additional conditions relating to the payment and recovery of rates in its Credit Control and Debt Collection policies and Bylaws, including the charging of interest, collection charges and administrative charges.
