

PROPERTY RATES POLICY

01 JULY 2025



GAMAGARA MUNICIPALITY

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GAMAGARA LOCAL MUNICIPALITY

PROPERTY RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a local municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act and the regulations promulgated in terms thereof; and
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the Council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and the regulations promulgated in terms thereof.

2. DEFINITIONS

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “**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;
- 2.3 “**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;

2.4 “Annually” means once every financial year;

2.5 ‘Bona fide farmers’ is a person that is fulltime farmer and if such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes;

2.6 “Category”

- (a) in relation to property, means a category of properties determined in terms of Section 7 of this policy; and
- (b) in relation to owners of properties, means a category of owners determined in terms of Section 8 of this policy.
- (c) The individual categories are defined as per the table below;

Category	Definition
Residential properties	Properties used for residential purposes including Sectional Title properties.
Residential properties not used for any purpose	Undeveloped vacant erven zoned for Residential purposes.
Business and commercial properties	Properties used for Business and Commercial purposes including Sectional Title properties.
Business and commercial properties not used for any purpose	Undeveloped vacant erven zoned for Business and Commercial purposes.
Industrial properties	Properties used for Industrial purposes including Sectional Title properties.
Industrial properties not used for any purpose	Undeveloped vacant erven zoned for Industrial purposes.
Public Service Infrastructure	Properties as defined per definition in the Act.
Public Benefit Organization	Property owned by public benefit organisations and used for any specified public benefit activity listed in item 1, 2 and 4 of part 1 of the Ninth Schedule to the Income Tax Act.
Place of worship and/or vicarage	Properties registered in the name of and used primarily as a place of 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 service at that place of worship.

Category	Definition
Sports grounds used for amateur sports	Property registered in the communities name and used for amateur sport.
Communal land	Property belonging to a land reform beneficiary or his or heirs provided that this exclusion lapses 10 years from the date which such beneficiaries title was registered in the office of the registrar of deeds.
State owned properties	Properties owned by the State and/or an organ of the State.
Municipal properties	The following types of property owned by or vested in the Council are not rateable: (i) Public service (ii) infrastructure owned by the Council or a service provider, including Public service infrastructure vested in the Council by virtue of the provisions of Section 63 of the Local Government Ordinance, (Ordinance 17 of 1939) as amended; (iii) Refuse tip sites; (iv) Municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria; (v) Property used for the provision of public parks and zoned as Public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space; (vi) 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, 1969 (Act No. 18 of 1969), in which case the area subject to the lease is separately rated;

Category	Definition
	(vii) Municipal housing schemes Municipal properties rateable: The following types of property owned by or vested in the Council are subject to rating: (i) Property leased to third parties in terms of a lease registered in terms of the Formalities in respect of leases of Land Act, 1969; and (iii) Municipal property used for purposes other than those specified.
Protected areas	All properties that are or have to be listed in the register referred to in Section 10 of the Protected Areas Act.
Servitudes	Right belonging to one person, in property of another, entitling the former either to exercise some right of benefit in the property, or to prohibit the latter from exercising one or other of his normal rights of ownership.
Privately owned township serviced by the owner	Unproclaimed farmland where there is a township layout for which services are provided by the owner.
Farm properties used for Agricultural purposes (larger than 16ha)	Farm properties used for bona fide farming and agricultural purposes with the property owner deriving the principal source of income from the product of the land.
Farm properties used for Business and Commercial purposes	Farm properties used for Business and Commercial purposes.
Farm properties used for Industrial purposes	Farm properties used for Industrial purposes.
Farm properties used for Residential purposes (smaller than 16ha)	Farm properties used for Residential purposes.
Farm properties not used for any purpose (smaller than 16ha)	Farm properties not used for bona fide farming and agricultural purposes.

Category	Definition
Farm properties not used for any purpose-Industrial Zoning	Undeveloped vacant farm properties with Industrial zoning.
Farm properties not used for any purpose – Business and Commercial Zoning	Undeveloped vacant farm properties with Business and Commercial zoning.
Agricultural Holdings used for Agricultural purposes (larger than 16ha)	Agricultural Holdings used for bona fida farming and agricultural purposes with the property owner deriving the principal source of income from the product of the land.
Agricultural Holdings used for Business and Commercial purposes	Agricultural Holdings used for Business and Commercial purposes.
Agricultural Holdings used for Industrial purposes	Agricultural Holdings used for Industrial purposes.
Agricultural Holdings used for Residential purposes (smaller than 16ha)	Agricultural Holdings used for Residential purposes.
Agricultural Holdings not used for any purposes (smaller than 16ha)	Agricultural Holdings not used for bona fida farming and agricultural purposes.
Agricultural Holdings not used for any purpose – Industrial Zoning	Undeveloped vacant Agricultural Holdings with Industrial zoning.
Agricultural Holdings not used for any purpose – Business and Commercial Zoning	Undeveloped vacant Agricultural Holdings with Business and Commercial zoning.
Unregistered properties	Unregistered erven / properties of which the certificate of registered title has not been issued.
Multiple use properties	Properties with a combination of different categories, of which the market value is apportioned for each category.

- 2.7 “Child-headed household” means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.

- 2.8 **“Definitions, words and expressions”** as used in the Act are applicable to this policy document where ever it is used;
- 2.9 **“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);
 - (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 (Act No.108 of 1996) be enacted after this Act has taken effect;
- 2.10 **“Land tenure right”** means a land tenure right as defined in section 1 of the Upgrading of the Land Tenure Rights Act 1991(Act 112 of 1991)
- 2.11 **“Municipality”** means the Local Municipality of Gamagara;
- 2.12 **Mining Property** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act (Act No 28 of 2002)
- 2.13 **“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;
- 2.14 **“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;

(bB) in relation to a share block company, the share block company as defined in the share block control Act, 1980 (Act no. 59 of 1980);

(bC) in relations 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; and

(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
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (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;

2.15 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

2.16 **“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.

2.17 **“place of worship”** – means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium:

Provided that the property is –

- (a) registered in the name of a religious community
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right;

2.18 **“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, 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 and air traffic control unit at national or provincial airports; including vacant land known as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes
- (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) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

2.19 **“public service purposes”**, in relation to the use of a property, means property owned and used by an organ of state as –

- (a) hospital and clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities;
- (f) Court of Law,

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

2.20 “**Residential property**” means a property included in the valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes

2.21 “**Rural communal settlements**” means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

2.22 “**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).

3. POLICY PRINCIPLES

3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality’s valuation roll and supplementary valuation roll.

3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.

3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.

3.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:

- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
- (b) Affordability

The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.

(c) Sustainability

Rating of property will be implemented in a way that:

- i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
- ii. Supports local, social and economic development; and
- iii. Secures the economic sustainability of every category of ratepayer.

(d) Cost efficiency

Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

Therefore, pursuant to section 3 (3) (b) of the Act, it is the policy of the municipality, when –

- * levying different rates for different categories of properties;
- * exempting a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;
- * granting rebates;
- * increasing rates;

to apply the following criteria -

- * poverty alleviation
- * stimulation of industrial growth
- * promotion of tourism
- * creation of jobs
- * maintenance of agricultural activity
- * assist charity and other public benefit organizations
- * the consumer inflation index
- * this municipality's budgetary needs
- * this municipality's integrated development plan
- * amounts contributed by services

4. SCOPE OF THE POLICY

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

5. APPLICATION OF THE POLICY

- 5.1 In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:-
- (a) Trading services
 - i. Water
 - ii. Electricity
 - (b) Economic services
 - i. Refuse removal.
 - ii. Sewerage disposal.
 - (c) Community and subsidised services
These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a) and (b).
- 6.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

7. CATEGORIES OF PROPERTY

- 7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-
- 7.1.1 Residential properties;
 - 7.1.2 Industrial properties;
 - 7.1.3 Business properties;
 - 7.1.4 Agricultural properties;
 - 7.1.5 Small Holdings;
 - 7.1.6 State owned properties;
 - 7.1.7 Municipal properties;
 - 7.1.8 Public service infrastructure referred to in the Act;
 - 7.1.9 Properties owned by Public Benefit Organisations;
 - 7.1.10 Churches;

7.1.11 Educational;

7.1.12 Institutional;

7.1.13 Vacant Stands;

7.1.14 Mining Properties

7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.

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

8. CATEGORIES OF OWNERS

8.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 respectively the following categories of owners of properties are determined:-

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

9. PROPERTIES USED FOR MULTIPLE PURPOSES

9.1 Rates on properties used for multiple purposes will be levied in accordance with the "dominant use of the property or levy different rates in one property as determined by the multiple use of the property"

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10. DIFFERENTIAL RATING

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

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

- 10.2 Differential rating among the various property categories will be done by way of:-
- (a) setting different cent amount in the rand for each property category; and
 - (b) by way of reductions and rebates as provided for in this policy document.

11. EXEMPTIONS AND IMPERMISSIBLE RATES

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

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers. However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. **For the 2021/2022 financial year the maximum reduction is determined as R15 000.** The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality.

(c) Public Service Infrastructure

Is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

(d) Right registered against a property

Any right registered against a property as defined in clause 2.15(b) of this policy is exempted from paying rates.

- 11.2 Exemptions in 11.1 will automatically apply and no application is thus required.

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

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) on mining rights or a mining permit within the meaning of the Mineral and Petroleum Resources Development Act, 2002 (Act no. 28 of 2002), excluding any

building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining;

- (c) On a property belonging to a land reform beneficiary or his or her heirs, dependants and spouse provided that this exclusion lapses
 - (i) Ten(10) years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds or
 - (ii) Upon alienation of the property by the land reform beneficiary or his or her heirs, dependants or spouse
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

11.4 Public Benefit Organisations (PBO's)

Taking into account the effects of rates on PBOs performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, the following Public Benefit Organizations may apply for the exemption of property rates:-

- (a) *Welfare and humanitarian*
For example PBOs providing disaster relief.
- (b) *Health Care*
For example PBO's providing counselling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.
- (c) *Education and development*
For example PBO's providing early childhood development services for pre-school children.
- (d) *Sporting bodies*
Property used by an organization for sporting purposes on a non-professional basis:
- (e) *Cultural institutions*
Property used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- (f) *Museums, libraries, art galleries and botanical gardens*
Property registered in the name of private persons, open to the public and not operated for gain.
- (g) *Animal welfare*
Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- (h) *Cemeteries and crematoriums which are used on a non-profitable basis*
Property used for cemeteries and crematoriums.
- (i) *Welfare institutions*
Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or

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

(j) *Charitable institutions*

Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.

- 11.5 All possible benefiting organisations in clause 11.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 31 October for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.
- 11.6 Public benefit organisations must attach a SARS tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962) to all applications.
- 11.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 11.8 The extent of the exemptions implemented in terms of 11.1 to 11.4 must annually be determined by the municipality and included in the annual budget.

12. REDUCTIONS

- 12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-
- 12.1.1 Partial or total destruction of a property.
- 12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).
- 12.2 The following conditions shall be applicable in respect of 12.1:-
- 12.2.1 The owner referred to in 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.
- 12.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).
- 12.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both 12.1.1 and 12.1.2
- 12.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

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

13. REBATES

13.1. Categories of property

(a) Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply:-
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.
- ii. A maximum rebate as annually determined by the municipality will be granted on approval, subject to:-
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.
- iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

(b) Privately owned towns serviced by the owner

The municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.14 of this policy.

All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

(c) Agricultural property rebate

- i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-
 - a. the extent of rates related services rendered by the municipality in respect of such properties.
 - b. the contribution of agriculture to the local economy.

- c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and
 - d. the contribution of agriculture to the social and economic welfare of farm workers.
- ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in occurrence of the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). will be a minimum rebate.
- iii. An additional rebate of maximum 10% in total will be granted by the municipality in respect of the following:-
 - a. 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants.
 - b. 2,5% if such residential properties are provided with potable water.
 - c. 2,5% if the farmer for the farm workers electrifies such residential properties.
 - d. 2,5% for the provision of land for burial to own farm workers and educational and recreational purposes to own farm workers as well as people from surrounding farms.
- vi. The granting of additional rebates is subject to the following:-
 - a. ~~The farm owner must be taxed by SARS as a farmer and proof to this extent in the form of the last tax assessment must be submitted. If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40% of the household income.~~
 - b. All applications must be addressed in writing to the municipality by 31 August indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once off requirement for a maximum of four years or until a new valuation roll comes into affect. Any new applications for the 2021/2022 financial year and onwards must be addressed in writing to the municipality by 31 October for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement or until a new valuation roll comes into affect.
 - c. Council reserves the right to send officials or its agents to premises/households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.
 - d. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

e) Schools

- i. Government schools shall receive a standard rebate of 50% on their normal rates tariff;
- ii. Private Schools shall receive a standard rebate of 25% on their normal rates tariff.

f) Hospitals

- i. Government hospitals shall receive a standard rebate of 50% on their normal rates tariff;
- ii. Private Hospitals shall receive a standard rebate of 25% on their normal rates tariff.

13.2 Categories of owners

Indigent owners and child headed families will receive a 100% rebate from rates:-

(a) Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality. If qualifying in terms of the indigent policy this 100% rebate will automatically apply and no further application is thus required.

(b) Child headed families

- i. Families headed by children will receive a 100% rebate for paying rates, according to monthly household income. To qualify for this rebate the head of the family must:-
 - a. occupy the property as his/her normal residence;
 - b. not be older than 18 years of age;
 - c. still be a scholar or jobless; and
 - d. be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality. For the 2021/2022 financial year this amount is determined as twice the amount received by government pensioners.
- ii. The family head must apply on a prescribed application form for registration as a child headed household and must be assisted by the municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

(c) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residence;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iii. All applications must be addressed in writing to the municipality by 31 October for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2017/2018 financial year the total monthly income and corresponding rebate is determined by Council from time to time
- iv. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

13.4 The extent of the rebates granted in terms of 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

14. PAYMENT OF RATES

14.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or
- (b) annually, as determined by Council from time to time.

14.2 The municipality shall determine the due dates for payments in monthly installments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.

14.3 Interest on arrears rates, whether payable on or before 31 October or in equal monthly installments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.

14.4 If a property owner who is responsible for the payment of property rates in terms of this policy fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.

14.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.

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

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

14.8 Payments of Rates on Property in sectional Title schemes

14.8.1 A rate levied by a municipality on a sectional title unit is payable by the owner of the unit or the holder of a right contemplated in section 25 or 27 of the Sectional Titles Act.

14.8.2 A municipality may not recover the rate on a sectional title unit, or on a right contemplated in section 25 or 27 of the Sectional Titles Act registered against the sectional title unit, or any part of such rate, from the body corporate controlling a sectional title scheme, except when the body corporate is the owner of any specific sectional title unit, or holder of such right

14.9 Clearance Certificates:-

14.9.1 will be valid for 120 days from the date it has been issued;

14.9.2 no extension on a certificate will be granted. If it expires a new application for clearance must be made.

15. ACCOUNTS TO BE FURNISHED

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

- (i) the amount due for rates payable,
- (ii) the date on or before which the amount is payable,
- (iii) how the amount was calculated,
- (iv) the market value of the property, and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

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

16. PHASING IN OF RATES

- 16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 16.2 The phasing-in discount (over three years) on the properties referred to in section 21 shall be as follows:-
- First year : 75% of the relevant rate;
 - Second year : 50% of the relevant rate; and
 - Third year : 25% of the relevant rate.
- 16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount (over period of four years) on these properties shall be as indicated below:-
- First year : 100% of the relevant rate;
 - Second year : 75% of the relevant rate;
 - Third year : 50% of the relevant rate; and
 - Fourth year : 25% of the relevant rate.

17. SPECIAL RATING AREAS

- 17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.
- 17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever special rating is being considered:-
- 17.2.1 Proposed boundaries of the special rating area;
- 17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;

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

18. RATING RATIOS

No.	Category	Rate Ratio
1.	Residential properties	1:1
2.	Residential properties not used for any purpose	1:1

3.	Business and commercial properties	1:1
4.	Business and commercial properties not used for any purpose	1:1
5.	Industrial properties	1:1
6.	Industrial properties not used for any purpose	1:1
7.	Public Service Infrastructure	Exempt
8.	Public Benefit Organization	Exempt
9.	Place of worship and/or vicarage	Exempt
10.	Sports grounds used for amateur sports	1:0.25
11.	Communal land	Exempt
12.	State owned properties	1:1
13.	Municipal properties	1:1
14.	Protected areas	Exempt
15.	Servitudes	1:0.25
16.	Privately owned township serviced by the owner	1:1
17.	Farm properties used for Agricultural purposes (larger than 16ha)	1:0.131
18.	Farm properties used for Business and Commercial purposes	1:1
19.	Farm properties used for Industrial purposes	1:1
20.	Farm properties used for Residential purposes (smaller than 16ha)	1:0.25
21.	Farm properties not used for any purpose (smaller than 16ha)	1:1
22.	Farm properties not used for any purpose-Industrial Zoning	1:1
23.	Farm properties not used for any purpose – Business and Commercial Zoning	1:1
24.	Agricultural Holdings used for Agricultural purposes (larger than 16ha)	1:0.131
25.	Agricultural Holdings used for Business and Commercial purposes	1:1
26.	Agricultural Holdings used for Industrial purposes	1:1
27.	Agricultural Holdings used for Residential purposes (smaller than 16ha)	1:0.25
28.	Agricultural Holdings not used for any purposes (smaller than 16ha)	1:1
29.	Agricultural Holdings not used for any purpose – Industrial Zoning	1:1
30.	Agricultural Holdings not used for any purpose – Business and Commercial Zoning	1:1
31.	Unregistered properties	1:1
32.	Multiple use properties	1:1

19. FREQUENCY OF VALUATION

19.1 The municipality shall prepare a new valuation roll at least every **5 (five)** years.

- 19.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll **to 7 (Seven)** years by applying for approval to the MEC for Local Government and Housing in the province.
- 19.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

20. COMMUNITY PARTICIPATION

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

21. REGISTER OF PROPERTIES

- 21.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 21.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 21.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
- Exemption from rates in terms of section 15 of the Property Rates Act,
 - Rebate or reduction in terms of section 15,
 - Phasing-in of rates in terms of section 21, and
 - Exclusions as referred to in section 17.
- 21.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 21.5 The municipality will update Part A of the register during the supplementary valuation process.

- 21.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

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

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

23. REGULAR REVIEW PROCESSES

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

24. IMPLEMENTATION

- 24.1 This policy will be effective from 1 July 2023