

EMAKHAZENI LOCAL MUNICIPALITY



MUNICIPAL PROPERTY RATES POLICY POLICY

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TABLE OF CONTENTS

1	INTRODUCTION.....	1
2	LEGISLATIVE CONTEXT.....	2
3	DEFINITIONS.....	2
4	THE PURPOSE OF THIS POLICY	13
5	FUNDAMENTAL PRINCIPLES OF THIS RATES POLICY.....	13
6	APPLICATION OF THIS RATES POLICY.....	14
7	DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES.....	14
8	CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES.....	15
9	RELIEF MEASURES FOR PROPERTY OWNERS	18
10	RECOVERY AND PAYMENT OF RATES.....	22
11	VALUATION ROLL EXTRACTION	22
12	REPORTING	23
13	DISCLAIMER.....	23
14	IMPLEMENTATION	23

1 Introduction

1.1 Vision and value statement

It is the vision of Council to “create a secure environmental and sustainable development to promote service excellence and unity”. Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.

The Values of the Council are:

Transparency
High Quality Service Delivery
Accountability
Serving Communities with Integrity
Efficiency
Professionalism

1.2 Vision

“A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society”.

1.3 Mission

Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

2 Legislative context

- 1.1 In terms of Section 229 of the Constitution, a municipality may impose rates on property.
- 1.2 In terms of section 4(1) of the Municipal Systems Act, 2000 (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property
- 1.3 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.
- 1.4 The Municipal Property Rates Act, 2004 (Act no. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
 - 1.4.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
 - 1.4.2 Criteria for determination of categories of properties and differential rates for each category of properties;
 - 1.4.3 Criteria to be applied for granting rates relief measures;
 - 1.4.4 Levying of rates in sectional title schemes;
 - 1.4.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).

3 Definitions

All words and phrases in this Rates Policy shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act:

Unless the context indicates otherwise:

Act Means the Local Government: Municipal Property Rates Act (Act 6 of 2004).

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

Child Headed Household	Means a household recognized as such in terms of section 137 of the Children’s Amendment Act, 41 of 2007.
Actual Use	Means actual activities that are taking place on the property.
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 property	In relation to the use of a property, means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is use of the property for the purpose of ecotourism or for the trading in or hunting of game.
Annually	Means once every financial year.
Category	(a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;
Community services	Means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates; Means the date determined by the Municipality in terms section 31(1); 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;

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

Disaster	Means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic condition.
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) of the Act; 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) of the Act.
Exclusion	In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act.
Exemption	In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.
Financial year	Means the period starting from 1 July in each year to 30 June the following year.
Income Tax Act	Means the Income Tax Act, 1962 (Act No. 58 of 1962)
Indigent household	Means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;
Illegal use	Where any person uses land or buildings or causes it to be used in conflict with the provisions of the town planning scheme in operation.
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

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

(Act No. 126 of 1993); or

(ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);

(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 organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and

(iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(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.

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

	Establish in terms of section 12 of the Municipal Structures Act No. 117 of 1998.
Market Value	In relation to a property, means the value of the property determined in accordance with Section 46 of the Act;
Municipal Finance Management Act (MFMA)	Means the Local Government: Municipal Finance Management Act No. 56 of 2003;
Municipal Manager	Means a person appointed in terms of Section 82 of the Municipal Structures Act;
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.
Non-profit organization (NPO)	Means any organization which is registered in terms of the Non- profit Organizations Act. Means
Non-governmental organization (NGO)	Means any organization which is created by legal persons who are not part of the government.
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;
Public service purposes	In relation to the use of property, means property owned and used by an organ of state as – (a) Hospitals or clinics (b) Schools, pre-school, early childhood development

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

Centre's or further education and training colleges:

- (c) National and provincial libraries and archives
- (d) Police stations
- (e) Correctional facilities; or
- (f) Courts of law.

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 in a register;
- (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

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

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 servitudes; or
- (vii) 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;
- (viii) A lessee in the case of property that is registered in the name of the municipality and is leased by it.

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

Means natural and legal person including an organ of state.

Prescribe

Means prescribe by regulation in terms of section 83 of the Act

Privately owned towns

Means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub –

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

divisions or township establishment units (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township.

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 of the Act.

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

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

Public Benefit Organization Property Means property owned by public benefit organizations and used for any specified public benefit 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

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 communication system serving the public;
- g) Runways or apron 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

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

	prescribed; or
	j) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) and (i)
Rate	Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;
Rateable property	Means a 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 of the Act on the amount of the rate payable on the property.
Reduction	In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of that property at the lower amount.
Register	a) means to record in a register in terms of – <ul style="list-style-type: none">(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 : <ul style="list-style-type: none">(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) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9.

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

Sectional Titles Act	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
Sectional Title Properties: Residential	This sectional title property, zoned residential, zoned special for residential use and used exclusively for residential purposes shall be rates as Residential Property.
Sectional Title Properties: Business	This category includes sectional Title properties that are zoned for business or have businesses operations shall be rates as Business Property.
Sectional Title Properties: Agriculture	This category includes sectional title properties, zoned agricultural and used for agricultural purposes shall be rates as Agricultural Property.
Small, very small and micro business	Means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;
Special rating area	Means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;
Specified public benefit activity	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.
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)
The Municipality	Means the Emakhazeni Local Municipality;

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

Value of property	Means the market value of the property as determined in terms of the Act;
Vacant Land	Means land, irrespective of zoning or category and in respect of which the municipality has not issued an occupancy certificate, being unimproved urban land.

4 THE PURPOSE OF THIS POLICY

The purpose of this policy is to:

- 4.1 Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 thereof;
- 4.2 Give effect to the principles outlined hereunder;
- 4.3 Ensure the equitable treatment of persons liable for rates;
- 4.4 Determine the methodology and to prescribe procedures for the implementation of the Act;
- 4.5 Determine criteria to be applied for the levying of differential rates for different categories of properties;
- 4.6 Determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 4.7 Determine criteria to be applied for granting exemptions, rebates and reductions;
- 4.8 Determine how the municipality's powers must be exercised in relation to multiple use properties;
- 4.9 Determine measures to promote local economic and social development; and
- 4.10 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

5 FUNDAMENTAL PRINCIPLES OF THIS RATES POLICY

The principles of the rates Policy are to ensure that:

- 5.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;
- 5.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

- 5.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
 - 5.3.1 Profits generated on trading and economic services; and
 - 5.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 5.4 Property rates will not be used to subsidize trading and economic services;
- 5.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 5.6 This rates Policy and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

6 APPLICATION OF THIS RATES POLICY

Imposition of rates

- 6.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include a property on which the municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.
- 6.1 The council pledges itself to limit the annual increase if financially viable of the rate in the rand in accordance with the National Treasury guidelines and/or the approved integrated development priorities.

7 DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

It is recorded that the Municipality has adopted the following resolutions:

- 7.1 To levy rates on all rateable property in its area of jurisdiction;
- 7.2 To levy different cents in the rand for different categories of rateable property as approved annual by council as part the annual budget;
- 7.3 That the categories of properties for the purpose of differential rating are those specified in this rates policy and By-Law document;
- 7.4 That the criteria for the categorization in terms of section 8(1) of the Act shall be actual use where a property is improved and vacant land shall be categorized according to the permitted use of the property. In case of a property used for multiple-purposes the categories shall be determined according to the actual uses of the property;

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

- 7.5 To rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market related value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 7.6 To not rate properties of which the municipality is the owner, except where leased to a third party.

8 CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES

- 8.1 For the purposes of differential rates, the following categories of rateable property have been determined, being:

8.1.1 Residential Property (RES)

Means improved property that:

- (a) Is used for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used for residential purposes; or
- (c) Is owned by a Share block company and used solely for residential purposes
- (d) For the purpose of this rates policy, the following are excluded :

Hotels

Communes

Boarding and lodging undertakings

Guesthouses

Residential units used for timeshare and holiday letting

8.1.2 Business Property (BUS)

Means property that is used for business, commercial and schools (private & public) purposes.

8.1.3 Agricultural Property (AGRI)

Means a property that is used primarily for agricultural purposes, but without derogating from section9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

8.1.4 Agricultural Residential Property (AGRI/Res)

Means a property that is used primarily for residential and agricultural purposes, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

8.1.5 Agricultural Business Property (AGRI/Buss)

Means a agricultural property that is used primarily for business operational purposes but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

8.1.6 State owned /Government Property/Institutional (STATE)

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

8.1.5 Public Service Infrastructure (PSI)

Means a property as defined by the Act.

8.1.7 Public Benefit Organization Property (PBO)/ Non-governmental organization (NGO)

Means property owned by public benefit organizations and used for any specified public benefit 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

8.1.8 Municipal property (MUN)

In relation to property shall mean those properties owned & exclusively used by the municipality;

8.1.9 Places of Public Worship (CHC)

Means a property 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 the services at that place of worship;

8.1.10 Industrial (IND)

Means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, 22 of 1941, as amended and

EMAKHAZENI LOCAL MUNICIPALITY MUNICIPAL PROPERTY RATES POLICY

includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.

8.1.11 Mining

Means property used for mining operations (extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise).

8.1.12 Privately open space

Means property categorized as " Privately owned roads/parks/sport grounds" shall be rated as "residential", subject to stipulations of section 17(2)(b) of MPRA, were applicable.

8.1.13 Vacant Land

This category includes the following:

- (i) Land without a zoning, zoning unresolved, deproclaimed mining land and any undeveloped land/ erf within a proclaimed township or within a land development area.
- (ii) Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy or final inspection.
- (iii) Vacant land owned by individual for development of residential property, if developed within the two year will be charged residential tariff backdated to year one. Owner of the land must apply to the Municipality for an adjustment
- (iv) The tariff applicable to vacant land will take precedence over the tariff applicable to the property category where such land is vacant except for (iii) and (iv). (iv) The rate applicable to vacant land will take precedence over the rate applicable to the category in which the property would have fallen had it not been vacant land.

9.2 Differential rating among the above determined categories of properties will be done by way of setting different rates in the rand for each property category.

9.3 The basis of categorization of properties for rating purposes does not permit any illegal usage of such properties.

9.4 The criteria for weighting the categories determined above, for the purpose of determining cent in a rand amount (rates tariff) for each category, must take account of the following :

9.4.1 The reliance or otherwise of the owners of specific categories of property on the type of services supplied by the Municipality;

9.4.2 The strategic importance of a category of property with reference to the aims and objectives of the municipality and the Government of the Republic of South Africa as a whole (such as social, economic and developmental issues); and

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

- 9.4.3 The nature of the category of property, including its sensitivity to rating (for example agricultural properties used for agricultural purposes).

- 9.5 The following principles and section 9.4 above shall be applied for the determination of the cents in the rand;
 - 9.5.1 Residential Property to Residential Property the ratio shall be 1:1;
 - 9.5.2 Residential Property to Informal settlement the ratio shall be 1:1
 - 9.5.3 Residential Property to Business, commercial and Schools Property the ratio shall be 1:3.2;
 - 9.5.4 Residential Property to Industrial the ratio shall be 1:3.3;
 - 9.5.5 Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;
 - 9.5.6 Residential Property to Agricultural Property the ratio shall be 1:0.25;
 - 9.5.7 Residential Property to Agri/residential the ratio shall be 1:1;
 - 9.5.8 Residential Property to Agri/busines the ratio shall be 1:1.18;
 - 9.5.9 Residential Property to Vacant land irrespective of zoning the ratio shall be 1:3;
 - 9.5.10 Residential Property to Privately open space 1:1;
 - 9.5.11 Residential Property to Municipal property the ratio shall be 1:0.25;
 - 9.5.12 Residential Property to Public open space the ratio shall be 1:0;
 - 9.5.13 Residential Property to Mining - ratio is currently not applicable, as fixed rate
 - 9.5.14 Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25;
 - 9.5.15 Residential Property to Place of worship property the ratio shall be 1:0.25;
 - 9.5.16 Residential Property to Private owned towns the ratio shall be 1:0.77;
 - 9.5.17 Residential Property to State owned /Institutional Property the ratio shall be 1:3.2;

9 RELIEF MEASURES FOR PROPERTY OWNERS

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.

- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:
 - 9.2.1 A specified category of properties; or
 - 9.2.2 A specified category of owners of property as provided for hereunder.

- 9.3 The municipality will **not** grant relief to the owners of property:
 - 9.3.1 On an individual basis.
 - 9.3.2 If the account is in arrears on the date of application.

- 9.4 The relief measures shall be granted as follows;

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

9.4.2 Category of specific owners

i) Rebates

All applications for rebates with supporting documentation should be submitted in writing to the Emakhazeni Finance offices, where upon it is subject to approval by the Chief Financial Officer.

(a) Indigent household	
Criteria	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
(b) Child headed households	
Qualification Criteria	To qualify for rebates on the head of the family must subject to the following: (a) Must apply annually in a prescribed form. (b) Must occupy the property as his/her normal residence. (c) Must submit proof of the death of both parents. (d) Must be younger than 18 years of age. (e) Must be evaluated in terms of the indigent policy of council. (f) still be a scholar or jobless; and (g) be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality as per the indigent policy (h) The rebate will lapse upon: (i) the expropriation, sale or disposal of the property; (ii) the failure of the applicant to reside permanently on the property; (iii) death of the applicant; and (iv) when applicant is older than 18 years.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
(c) Properties Owned by Public Benefit Organizations/ Non profit organisation, Which includes;	
<ul style="list-style-type: none"> • Properties used for any specified public benefit activity listed in item 1 (Welfare) (Old Age Home) and Humanitarian), item 2 (Health care), and item 4 (Education and Development) of part 1 of the Ninth Schedule to the Income Tax Act. • Any other properties that Council may deem to be owned and exclusively used for public benefit activities for the purpose of rebates. 	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form annually; • Provide proof of ownership of the property and registration as a Non-Profit Organisation in terms of the Income Tax Act or registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9th Schedule; • Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

	<p>primarily for the specified public benefit activities and purposes of the organisation;</p> <ul style="list-style-type: none"> • that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and • Be in a position to submit audited annual financial statements.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
(d) Retired people	
Qualification Criteria	<ul style="list-style-type: none"> • Make application in writing; • Must be registered in the name of retired person; • Must reside permanently on the property concerned • Not own more than one property; • Be at least 60 years of age; • The combined income from all sources (including the spouses of the owner) may not exceed R132 000 per annum. • Each application must be accompanied by the following certified documents: <ul style="list-style-type: none"> a) valid identity document; b) certified proof of pensionable income (payslip or documentary proof from pensionable institution); c) where no proof of pensionable income can be submitted , certified by bank statements for three(3) months with certification by bank that the account is the primary bank account. • Property must be categorized for residential purposes only in terms of the municipal valuation roll • The rebates to be granted will be based in respect of the combined income in the preceding twelve (12) months average monthly earnings from date of application:
Rebate	<p>The rebate on property rates shall 30% on the rates tariff being determined by the municipal council on annual basis during the budget process.</p> <p>the rebate will lapse upon:</p> <ul style="list-style-type: none"> (i) death of the applicant; (ii) alienation of the property; (iii) when the applicant ceases to reside permanently on the property ;and (iv) the combined income from all sources exceed R11 000.00, per month.

9.5 Category of specific properties

i) Rebates

All applications for rebates with supporting documentation should be submitted in writing to the Emakhazeni Finance offices, where upon it is subject to approval by the Chief Financial Officer.

(a) Public Benefit Organization / Non profit organisation

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

With no source of income (Depending on Donations/ Grants)	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process
(b) Informal Settlement	
Criteria	The property should classified as an informal settlement according to the Municipal Valuation roll.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.

ii) Exemptions

(a) Residential Property	The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of section 17(1)(h) of the Act.
(c) Public Services Infrastructure Property	Section 13 of the amendment acts amends s17(1) prohibits the rating of any property referred to in paragraphs (a)(b)(e)(g) and (h) of the definition of public service infrastructure, the rates levied on property referred to in subsection (1) must be phased in as follows <ul style="list-style-type: none"> • in the first financial year a rebate of 20%; • in the second financial year a rebate of 40% of the rate; • in the third financial year a rebate of 60% of the rate; • and • in the fourth financial year a rebate of 80% of the rate • In the fifth financial year a rebate of 90% of the rate. <ul style="list-style-type: none"> • The first 30% of the market value of the property is exempted from levying of rates in terms of section 17(1)(a) of the Act as referred to in paragraphs (c)(d)(f)(i) and (j) of the definition of public service infrastructure
(d) Municipal Property	The property shall be 100% exempted from levying of rates
(e) Places of Worship, including an official residence registered in the name of the community	The property shall be 100% exempted from levying of rates.

iii) Reductions

All applications for reduction with supporting documentation should be submitted in writing to the Municipal Manager, where upon it is subject to approval by the council.

(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions	
Qualification criteria	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in section 15 of the Act, where it is contended that the market

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

	value of the property is being affected by:
	(a) A disaster within the meaning of the Disaster Management Act (57 of 2002) section 23 (1)(a - c);
Reduction Granted	The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer. The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year. Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may be lodged for the new financial year.

10 RECOVERY AND PAYMENT OF RATES

- 10.1 An owner of a ratable property shall be liable for a property rates account;
- 10.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments, or can be recovered on an annual basis (if applied for by a category)
- 10.3 Owners of ratable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis or yearly (depend on category);
- 10.4 A person liable for a rate must furnish the municipality with an address where correspondence can be directed to
- 10.5 If a person has not received a written account, it remains the responsibility of the account holder to service the account and make the necessary inquiries from the municipality.
- 10.6 Payment of property rates are payable by the due date as specified on the invoice issued by the municipality.
- 10.7 Rates in arrears shall be recovered from the owner of the property;
- 10.8 The Credit Control and Debt Collection By-Law shall apply in cases where the property rates accounts are in arrears and interest charged.
- 10.9 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-Law.

11 VALUATION ROLL EXTRACTION

- 11.1 Any person may, within the period stated in the notice referred to in section 49(1)b) on payment of a reasonable fee, request the municipality during office hours to make extracts from the roll.
- 11.2 Any person may, at any given time, will be charged a reasonable fee, request the municipality during office hours to make extracts from the roll.

**EMAKHAZENI LOCAL MUNICIPALITY
MUNICIPAL PROPERTY RATES POLICY**

12 REPORTING

The Municipal Manager must annually within two months from the end of a financial year table in Council according to section 15(3) and (4) of the Act with relation to that financial year the following:

- (i) such exemptions, rebates and reductions;
- (ii) exclusions referred to in section 17(1)(a), (e), (g), (h) and (i) of the Act; and
- (ii) the phasing-in discount granted in terms of section 21 of the act

13 DISCLAIMER

- 13.1 Any rate to be levied on ratable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.
- 13.2 Where a ratepayer believes that the Council has failed to properly apply this policy and valuation roll he/she should raise the matter with the Municipal Manager within that financial year and supplementary valuation roll will apply on issues of valuation.

14 IMPLEMENTATION

The Property Rates Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 30 June 2016

Council Resolution nr: S29/06/2016