



NDLAMBE LOCAL MUNICIPALITY

RATES POLICY

2023/2024

REVIEWED: 10/03/2023

APPROVED BY COUNCIL: 21/06/2023

COUNCIL RESOLUTION NO: SNM007/06/2023

TABLE OF CONTENTS

PARA- GRAPH	SUBJECT	PAGE
1	Legislative Content	3
2	Definitions	3
3	Policy Principles	7
4	Scope of Policy	8
5	Application of Policy	8
6	Categories of Property	8
7	Categories of Owners	9
8	Properties used for Multiple Purposes	9
9	Differential Rating	10
10	Exemptions	10
11	Conditions for Exemption	11
12	Reductions	12
13	Rebates	12
14	Compulsory phasing in of Rates	17
15	Cost to the Municipality due to Exemptions, Etc.	18
16	Rates increases	18
17	Notification of Rates	18
18	Payment of Rates	19
19	Payment of Rates on Property in Sectional Title Schemes	20
20	Accounts to be furnished	20
21	Regular review processes	21
22	Correction of Errors and omissions	21
23	Frequency of Valuations	21
24	General valuation and preparation of roll	22
25	Community Participation	22
26	Levying of Rates in Sectional Title Schemes	23
27	Register of Property	23
28	By-Laws to give effect to the Rates Policy	23
29	Short Title	23
30	Enforcement / Implementation	24
31	Legal Requirements	24
	Schedule 1	24

1. LEGISLATIVE CONTENT

- 1.1. This policy is mandated by Section 3 of the Municipal Property Rates Act, 2004 (Act 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 (Act No.108 of 1996), a Municipality may impose rates on property.
- 1.3. In terms of the Municipal Property Rates Act, 2004 (Act No.6 of 2004) a Municipality in accordance with:-
 - 1.3.1 Section 2 (1), may levy a rate on property in its area; and
 - 1.3.2 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
 - iii. The rates policy
- 1.4. In terms of Section 4 (1) (c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the 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 Municipal Finance Management Act, 2003 (Act No.56 of 2003) the Municipal Manager must ensure that the Municipality has and implements a rates policy.

2. DEFINITIONS

- 2.1. “**Act**” means the Municipal Property Rates Act, 2004 (Act No.6 of 2004).
- 2.2. “**agent**” in relation to the owner of a property, shall mean a person appointed by the owner of the property to receive rental or other payments in respect of the property on behalf of the owner, or to make payments in respect of the property on behalf of the owner;
- 2.3. “**agricultural consumers**” means consumers defined as bona fide farmer as per Gazette number 32061 and 32062 predominantly engaged in agriculture activities by using land for the production or raising of crops, poultry or livestock. Such consumers include an owner, landlord tenant or occupant.
- 2.4. “**agricultural purpose**” in relation to the use of a property, excludes property used solely for residential purposes, any industrial activity, any business activity, any commercial activity, the use of a property for the purpose of eco-

tourism or for the trading in or hunting of game or as a game farm for tourism purposes or for other business purposes like a commercial abattoir.

- 2.5. **“category”** –
- (a) in relation to property, means a category of property determined in terms of section 8 of the Act;
 - (b) in relation to owners of property, means a category of owners determined in terms of section 14 (1A) of the Act;
- 2.6. **“eco-tourism”** in relation to the use of property and categorisation for purposes of property rates, means property used for the enjoyment and appreciation of nature against payment of a fee and includes **nature tourism** and **game farms**.
- 2.7. **“eco-village”** in relation to the use of a property, means an urban or rural full-featured settlement which are developed upon a combination of social, ecological and economical dimensions and excludes business activities, agriculture or eco-tourism;
- 2.8. **“exemption”**, in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act;
- 2.9. **“land reform beneficiary”** in relation to a property, shall mean a person who acquired the property through the provision of Land and Assistance Act No. 126 of 1996 or the Restitution of Land Rights Act No. 22 of 1994, or who holds the property subject to the Communal Property Associations Act No. 29 of 1996, or who holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;
- 2.10. **“market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- 2.11. **“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose as contemplated by section 9 of the Act;
- 2.12. **“Municipality”** means the Municipal Council for the municipal area of Ndlambe.
- 2.13. **“municipal property”** means those properties of which the Municipality is the owner.
- 2.14. **“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 property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date;
- 2.15. **“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;
- 2.16. **“owner”**—

- (a) in relation to 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; or
- (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,

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

- (i) A trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property, in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property, in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property, in the estate of a person under judicial management;
- (v) a curator, in the case of a property, in the estate of a person under curatorship;
- (vi) an usufructuary or other 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 and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.17. **“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
 - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

2.18. **“private schools”** means schools not administered by Government;

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) Hospitals 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; or
- (f) Courts of law,

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

2.20. “**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.

2.20. “**property register**” means a register of properties referred to in section 23 of the Act;

2.21. “**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 and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

2.22. “**public worship**” means a property registered into the name of and used exclusively as a place of worship by a religious community, including one residence registered in the name of this religious community which is occupied full time by an office bearer of the religious community.

- 2.23. **“rating ratio”** is a ratio at which bonafide farmers will be rated relative to residential properties as per Gazette Number 32061 and 32062.
- 2.24. **“rebate”**, in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Act;
- 2.25. **“reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;
- 2.26. **“residential”** means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, motel, lodge, bed and breakfast establishment, commune, boarding establishment, hostel and compound.
- 2.27. **“small holding”** means a property zoned as agricultural land as per the land use scheme and size is between 2,5 and 10 hectares.
- 2.28. **All other terms** are used within the context of the definitions contained in the Municipal Property Rates Act, 2004 (Act No.6 of 2004).

3. POLICY PRINCIPLES

- 3.1. Rates are levied in accordance with the Act as an amount in the rand based in proportion to the improved 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. 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, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3. Phasing in of rates will be based on the new valuation roll, and in terms of Section 21 of the Act.
- 3.4. Property rates will be used to finance community and subsidised services and not used to subsidise trading and economic services.
- 3.5. The income base of the municipality will be protected by limiting exemptions, rebates and reductions.
- 3.6. The rates policy for the Municipality is also based on the following principles:
- 3.6.1 Equity
The Municipality will treat all rate payers with similar properties the same.
- 3.6.2 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 exceptions, reductions or rebates.

3.6.3 Sustainability

Rating of property will be implemented in a way that:

- i. it supports sustainable local government by providing a stable and continuous revenue source within the discretionary control of the Municipality; and
- ii. supports local and social economic development.

3.6.4 Cost efficiency

Rates will be based on the value of all rateable properties and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage services) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

3.7 Rebate application

Owners or occupants of properties should submit annual application for rates rebate /exemption for consideration by Council.

4. **SCOPE OF THE POLICY**

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates will be published in the Municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. **APPLICATION OF THE POLICY**

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 owners as allowed for in this policy.

6. **CATEGORIES OF PROPERTY**

6.1. Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the:-

- 6.1.1 use of the property;
- 6.1.2 permitted use of the property, or

6.1.3 combination of (a) and (b)

6.2. The Municipality may differentiate between the following property categories:

6.2.1 residential properties;

6.2.2 business and commercial properties;

6.2.3 industrial properties;

6.2.4 mining properties;

6.2.5 Agricultural properties;

6.2.6 properties owned by an organ of state and used for public service purposes;

6.2.7 public service infrastructure;

6.2.8 public benefit organisations;

6.2.9 multiple use properties;

7. CATEGORIES OF OWNERS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the:-

7.1 indigent status of the owner of a residential property;

7.2 owner of a residential property with a source of income within a determined threshold;

7.3 owners of property situated within an area affected by:-

7.3.1 a disaster within the meaning of the Disaster Management Act, 2002 Act no.57 of 2002); or

7.3.2 any other serious adverse social or economic conditions;

7.4 owners of residential properties with a market value below a determined threshold; or

7.5 owners of agricultural properties who are *bona fide* farmers.

8. PROPERTIES USED FOR MULTIPLE PURPOSES

Rates on properties used for multiple purposes will be levied as follow:

8.1 by apportioning the market value of a property to the different purposes for which the property is used; and

8.2 applying the relevant cent amount in the rand, including any applicable exemption, rebate or reduction, to the corresponding apportioned market value.

9. DIFFERENTIAL RATING

- 9.1. Criteria for differential rating on different categories of properties will be according to:-
- 9.1.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- 9.1.2 The promotion of social and economic development of the Municipality.
- 9.2. Differential rating among the various property categories will be done by way of setting a different rate for each property category
- and/or
- 9.3 by way of reductions and rebates.

10. **EXEMPTIONS**

The following properties are exempted from rates:

- 10.1 Municipal owned properties
- 10.1.1 rateable properties registered in the name of or vested to the Municipality
- except**
- property solely used for the provision of the following services which shall receive a rebate of 30%:
- electricity service
 - water service
 - sewerage service
 - refuse removal service
- 10.1.2 rateable properties registered in the name of the Municipality and which are let to the employees of the Municipality for residential purposes;
- 10.1.3 rateable property registered in the name of the Municipality and which is let by the Municipality for not more than a nominal rent as determined by the Municipality.
- except**
- 10.1.3.1 if any property belonging to a Municipality is disposed of to any person/organisation, he/she shall be considered to be the owner liable for the payment of rates from the date of taking possession.
- 10.1.3.2 any property let to any person/organisation for non-municipal use in which case an amount equivalent to property rates which would otherwise be levied, property rates will be payable by the lessee from a date as determined in the rental agreement.
- 10.2 Cemeteries and crematoria

Registered in the names of private persons and operated not for gain.

- 10.3 Registered indigent property owners will be exempted from the payment of rates to a maximum property value equal to the improved value of a RDP house and stand. The impermissible rates contemplated in terms of section 17 (1) (h) of the Act is included in this value.
- 10.4. National, Provincial and Municipal road reserves as well as railway reserves are exempted from payment of rates.
- 10.5. Places of public Worship / Churches
On a property registered in the name of the and used primarily as for place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship. Subject to definition of Place of Public Worship is exempt from payment of rates.
- 10.6. Public Service Infrastructure
Exempt from payment of rates
- 10.7 The following properties may apply for exemption from rates;
- 10.7.1 Cultural institutions
Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- 10.7.2 Museums, libraries, art galleries and botanical gardens
Registered in the name of private persons, open to the public and not operated for gain.
- 10.7.3 Youth development organisations
Property owned and/or used exclusively for organisations for the provision of youth leadership or development programmes.
- 10.7.4 Animal welfare
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

11. CONDITIONS FOR EXEMPTION

Exemptions for properties mentioned under paragraph 10 will be subject to the following conditions:

- 11.1 all applications must be addressed in writing to the Municipality in the prescribed manner or application form;
- 11.2 applications/submissions must include financial statements and bank accounts which includes investment information, for the last 3 years;
- 11.3 a SARS tax exemption certificate must be attached to all applications;
- 11.4 all applications to be approved by the Exemption and Rebate Committee
- 11.5 applications must reach the Municipality before the end of October preceding the start of the new Municipal financial year for which relief is sought;

12. REDUCTIONS

- 12.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act will be granted where the value of a property is affected by:-
 - 12.1.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act no.57 of 2002); or
 - 12.1.2 any other serious adverse social or economic conditions.
- 12.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.
- 12.3 All categories of owners can apply for a reduction in the valuation of the property as described above.
- 12.4 Criteria for granting reductions are as follow:
 - 12.4.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act may be granted where the value of a property is affected by fire damage demolition or floods.
 - 12.4.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.

13. REBATES

13.1 Public Benefit Organisations

The following Public Benefit Organisations may apply for the rebate of property rates subject to submission of a 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) and financial statements.

13.1.1 Health care institutions

Properties used exclusively as a hospital, clinic and mental hospital, 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.

13.1.2 Welfare institutions

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

13.1.3 Charitable institutions

Property belonging to registered not-for-gain institutions or organisations that perform charitable work.

13.1.4 Sporting bodies

Property used for the purpose of amateur sports on a non-professional and non-profitable basis.

13.1.5 Retirement Establishments

Rates rebate for non-profit organisations providing accommodation for retired individuals are subject to be considered to receive a rebate that will be calculated as a prorata amount based on the number of occupants that qualify for either an indigent subsidy or rebate will be granted as a prorata amount of the number of qualifying occupants,

All occupants with life rights residing within a retirement establishment would be required to do individual applications by completing either the indigent application form or a pensioner's rebate form. This would apply whether a property is registered in the occupant's name or in an entity's name.

Occupiers without life rights that pay rentals, the organisation will be required to submit all rentals payable by the occupant.

The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

All other property in a retirement establishment not occupied by a tenant or owner for residential purposes will not qualify for a rebate.

The council may grant a rebate to the following categories:

13.2 Categories of property

13.2.1 Business, commercial and industrial properties

The Municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:

- 13.2.1.1 job creation in the Municipal area;
- 13.2.1.2 social upliftment of the local community; and
- 13.2.1.3 creation of infrastructure for the benefit of the community.

Rebates on this category 13.2.1, will be considered on application subject to:

- a business plan submitted in respect of the company indicating the local, social and economic development objectives of the Municipality are going to be met;
- an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
- an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and
- approval of the application by a Municipal Council resolution.

13.3 Public service purposes: Rates payable at Business rate

13.4 Mining properties Rates payable at Business Rate

13.5 Residential categorised properties

In terms of section 17 of the Act, a Municipality may not levy a rate:-

- a) on the first R15 000 of the Market value of a property assigned in the valuation roll or supplementary valuation roll of the municipality for:
 - i) all residential properties
 - ii) all properties used for multiple purpose, provided one or more components of the property are used for residential purpose.

13.6 Agricultural property rebate

13.6.1 Agricultural properties shall be granted a rebate in accordance with Government Gazette 32061 & 32062 issued on 27 March 2009 subject to the owner providing the Municipality with required information in an affidavit received not later than 30 September each year.

13.4.2 Qualifying requirements are that the property is being used for agricultural

- purposes and that these operations are registered as such with SARS or the owner is registered as a *bona fide* farmer with SARS, or
- 13.4.3 where the owner is not taxed as a farmer, proof is required that income from farming activities exceeds 40% of the household income, or
- 13.4.4 if the applicant is a member of an Agricultural Association, a certification - From the Chairperson of their applicable Association, certifying that the
- Applicant qualifies for above mentioned rates ration to be applied,
 - or
 - Certification from the applicable agricultural extension officer and Complete part A and B
- 13.4.5 Rebates may be granted with regard to the following conditions as may be applicable and at a rate as outlined in Schedule 1 to this policy:

(a) Rebates will be granted as determined in Schedule 1 after submission of proof by the owner to the extent to which agriculture assists in meeting service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers:

- i. if the owner is providing permanent residential property to the farm workers and the right of permanent residence is conferred by means of a legal document.
- ii. if such residential properties are provided with potable water.
- iii. if the farmer has electrified such residential properties.
- iv. if the farmer is availing his land/buildings to be used for cemetery, education and recreational purposes of the farm workers' children and nearby community in general, etc.

13.7 Agricultural properties used for eco-tourism, conservation, the trading in or hunting of game or any other business, may qualify for an additional rebate as indicated in Schedule 1.

13.8 Residential properties vested in Eco-Villages(estates)

Eco-Villages may qualify for an additional rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1.

13.9 Residential properties vested in Privately owned Towns or developed towns

May qualify for an additional rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1. (eg Kasouga, Langholm and Green Fountain)

- 13.10 Small holdings zoned as agriculture will be treated according to the determination for agriculture land or in terms of multiple uses as the case may be.
- 13.11 Conservation Land
No rebates are granted to privately owned properties whether designated or used for conservation purposes.
- 13.12 Historical or heritage properties
No rebates are granted other than residential rebates if appropriate.
- 13.13 Categories of owners
- 13.13.1 Retired and Disabled Persons: Rate Rebate
Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:
- 13.13.2 occupy the property as his/her normal residence;
- 13.13.3 is at least 60 years of age or in receipt of a disability pension from the Department of Social Welfare or other approved pension funds;
- 13.13.4 is in receipt of a total monthly income from all sources (including income of spouses of owner) as per Schedule 1;
- 13.13.5 not be the owner of more than one property but in the case where the owner/applicant owns a second property which is vacant land only one property will qualify for pensioners rebate.; and
- 13.13.6 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;
- 13.13.7 Property owners must apply on a prescribed application form for a rebate as determined by the Municipality;
- 13.13.8 Applications must be accompanied by:-
- a certified copy of the bar coded identify document, passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the Municipality;
 - sufficient proof of income of the owner and his/her spouse;
 - an affidavit from the owner;
 - if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - if the owner has retired at an earlier age for medical reasons proof thereof must be submitted;

- be in receipt of a total monthly income from all sources (including income of spouses of owner) as determined in Schedule 1:

13.13.9 These applications must reach the Municipality before the end of September preceding the start of the new Municipal financial year for which relief is sought.

13.13.10 The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

13.13.11 Properties with a market value below a prescribed valuation level

These properties instead of a rate determined on the market value may be levied a uniform fixed amount per property.

13.14 Private Roads

All roads in private developments that are on individual erven can receive a rebate as per Schedule 1.

14. COMPULSORY PHASING IN OF RATES

14.1 Newly Rateable Properties

14.1.1 Rates levied on newly rateable property will be phased in over a period of three financial years.

14.1.2 The phasing-in discount will be determined as follows:

14.1.2.1 In the first year, 75% discount on the rates for the year applicable on the property,

14.1.2.2 in the second year, 50% discount on the rates for the year applicable on the property,

14.1.2.3 in the third year, 25% discount on the rates for the year applicable on the property.

14.2 Newly Rateable property owned and used by Public Benefit Organisations

14.2.1 Rates levied on newly rateable property owned and used by organisations conducting specified public benefit activities determined by Council and registered in terms of the Income Tax Act for those activities will be phased in over a period of four financial years.

14.2.2 The phasing-in discount will be determined as follows:

14.2.2.1 In the first year no rates will be levied on the property concerned;

14.2.2.2 In the second year, 75% discount on the rates for the year applicable on the property;

- 14.2.2.3 in the third year, 50% discount on the rates for the year applicable on the property;
- 14.2.2.4 in the fourth year, 25% discount on the rates for the year applicable on the property.
- 14.3 Rates on Property belonging to a land reform beneficiary or his/her heirs
- 14.3.1 The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 14.3.2 After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years.
- 14.3.3 The phasing-in discount will be determined as follows:-
 - 14.3.3.1 In the first year, 75% discount on the rates for the year applicable on the property;
 - 14.3.3.2 in the second year, 50% discount on the rates for the year applicable on the property;
 - 14.3.3.3 in the third year, 25% discount on the rates for the year applicable on the property.

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

- 15.1 The Municipal manager shall ensure that the revenue foregone in respect of the foregoing rebates, exemptions and reductions, are appropriately disclosed in each annual operating budget and in the annual financial statements and annual report and that such rebate, are clearly indicated on the rates account submitted to each property owner.
- 15.2 The municipal manager must annually table in Council:-
 - 15.2.1 a list of all exemptions, reductions and rebates, i.e phasing in discounts, 20% rebate, etc, granted by the municipality during the previous financial year;
 - 15.2.2 a statement reflecting the income which the municipality has foregone during the previous financial year by way of such exemptions, reductions and rebates and the phasing in discount granted in terms of section 21 of the Municipal Property Rates Act

16 RATES INCREASES

- 16.1 The Municipality may consider increasing rates annually during the budget process using the guidelines issued by National Treasury from time to time as a guide.
- 16.2 Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- 16.3 Affordability of rates to ratepayers.

- 16.4 All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation meetings, local newspapers, community libraries and municipal websites participation.
- 16.5 A rates tariff in a financial year shall be determined as a proportion of the amount required to finance the difference between the total budget and the amount raised through the trading services.

17 NOTIFICATION OF RATES

- 17.1 The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- 17.2 A notice stating the extent of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places provided for that purpose.
- 17.3 Rates tariff to be used for the levying of rates during a financial year will be promulgated in a Provincial Gazette

18 PAYMENT OF RATES

- 18.1 Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the date mentioned on the monthly municipal account.
- 18.2 Twelve equal monthly instalments will be used as default method to levy property rates on the accounts of owners and owners will have to apply for an annual payment.
- 18.3 If the owner of property that is rateable, notifies the Municipal Manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the Municipal Manager or his/her nominee that he/she wishes to pay all rates in respect of such property in one instalment, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in one instalment until such notice is withdrawn by him/her in a similar manner.
- 18.4 Interest on arrears of rates whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the bank prime rate plus 1% as determined from time to time by the SA Reserve Bank. Interest will be calculated on arrears.
- 18.5 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 Policies of the Municipality.

- 18.6 Arrear rates may be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act.
- 18.6.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation between the tenant and the owner. The Municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier.
- 18.6.2 The amount that the municipality will recover from the tenant or occupier will be limited to the amount of the rent or other money due and payable, but not yet paid by the tenant or occupier to the owner of the property. The tenant or occupier must set off any amount recovered from them by the municipality against any money owed to the owner.
- 18.6.3 The tenant or occupier of a property will on request of the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period as may be determined by the municipality.
- 18.6.4 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The Municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.
- 18.6.5 The amount that the municipality will recover from the agent will be limited to the amount of the rent or other money received by the agent on behalf of the owner less any commission due to the agent.
- 18.6.6 The agent will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.
- 18.6.7 A rate levied by the Municipality on a property must be paid by the owner of the property. Joint owners of a property are jointly and severally liable for the amount due for rates on that property.
- 18.6.8 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.
- 18.7 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.
- 18.8 Effective Implementation Date

General / Supplementary Valuation

General Valuation will be effective on the first day of a financial year.

19 PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEME

The rate levied on a sectional unit is payable by the owner of the unit. The Municipality may not recover the rate on such sectional title unit, or any part of such rate, from the body corporate controlling the sectional title scheme, except when the body corporate itself is the owner of any specific sectional title unit.

20 ACCOUNTS TO BE FURNISHED

20.1 The Municipality must furnish each person liable for the payment of a rate with a written account specifying:

- 20.1.1 The amount due for rates payable;
- 20.1.2 The date on or before which the amount is payable;
- 20.1.3 How the amount was calculated;
- 20.1.4 The market value of the property;
- 20.1.5 Phasing in discount if applicable.

20.2 The person liable for payment of the 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 from the Municipality.

21 REGULAR REVIEW PROCESSES

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

22 CORRECTION OF ERRORS AND OMISSIONS

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 approximately 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.

23 FREQUENCY OF VALUATIONS

The Municipality shall prepare a new valuation roll every 5 (five) years and supplementary valuation every 12 or 6 months.

24 GENERAL VALUATION AND PREPARATION OF VALUATION ROLL

- 24.1. The Municipality must cause a general valuation to be made of all properties in the Municipality's jurisdiction and must prepare a valuation roll of all properties in terms of such valuation.
- 24.2. All rateable properties in the Municipal area of Ndlambe must be valued during such general valuation, including properties fully or partially excluded from rates in terms of section 17 of the Property Rates Act.
- 24.3. The general valuation must reflect the market value of properties in accordance with the market conditions that apply as at the date of the valuation, in accordance with any other applicable provisions of the Property Rates Act.
- 24.4. A valuation roll takes effect from the start of the financial year. Following completion of the public inspection period required by the Act and remains valid for that financial year and subsequent years but not exceeding four financial years.
- 24.5. The market value of a property is the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer.
- 24.6. When valuing a property which is subject to a sectional title scheme, the valuator must determine the market value of each sectional unit in the scheme.
- 24.7. The Municipality must regularly, at least once a year update its valuation roll by causing a supplementary valuation roll to be prepared.

25. COMMUNITY PARTICIPATION

Before the Municipality adopts its rates policy, the Municipality must follow the process of Community participation envisaged in chapter 4 of the Municipal Systems Act, and comply with the following requirements:

The Municipal Manager must:

- 25.1. Conspicuously display the draft rates policy for a period of at least 30 days at the Municipality's head and satellite offices and libraries and website if any;
- 25.2. Advertise in the media a notice stating that a draft rates policy has been prepared for submission to the Council, and that such policy is available at various Municipal offices for public inspection and is also available on the website if any, and inviting local community to submit comments and representatives to the Municipality within a period specified in the notice, but which period shall not be less than 30 days.
- 25.3. Council must take all comments and representations made to it into account when considering the draft rates policy.

26. LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

A rate on a property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme, and not on the property as a whole.

27. REGISTER OF PROPERTIES

- 27.1. The Municipality must draw up and maintain a register in respect of all properties situated within the Municipality jurisdiction, dividing such register into part A and part B.
- 27.2. Part A of the register consists of the current valuation roll of the Municipality including any supplementary valuation rolls prepared from time to time.

Part B of the register specifies which properties on the valuation roll or any supplementary valuation roll are subject to:

- 27.2.1. An exemption from rates in terms of section 15 of the Property Rates Act;
- 27.2.2. A rebate on or a reduction in the rate in terms of section 15;
- 27.2.3. A phasing in of the rate in terms of section 21;
- 27.2.4. An exclusion referred to in section 17.

- 27.3. The register must be open for inspection by public during office hours. Council must at regular intervals annually update part B of the register.

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

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

29. SHORT TITLE

This policy is the Property Rates Policy of the Ndlambe Local Municipality.

30. ENFORCEMENT/IMPLEMENTATION

This policy has been amended by the Municipality in terms of resolution and comes into effect from 1 July 2022.

SCHEDULE 1

SCHEDULE OF REBATES

Category/Description	Proposed rebate	Based on:
<u>RESIDENTIAL</u>		
All Residential properties	10%	Business rate
<u>AGRICULTURAL LAND (Definition: Agricultural consumer) (Refer par.13.1.3.4)</u>		
Farm properties predominantly engaged in agricultural activities	75%	Residential properties rate
<u>Contribution to social and economic welfare of farm workers:</u>		
Concrete structure permanent residential property provided to all farm workers with all basic services (potable water through a tap at house, water borne sewer, electricity, refuse removal)	4% (1% per each service)	After application of Agricultural rate
Availing land/buildings for education and recreational purposes for farm workers	1.0%	After application of Agricultural rate
<u>AGRICULTURAL LAND USED FOR THE TRADING IN OR HUNTING OF GAME OR OTHER BUSINESS</u>		
Residential properties rebate and	10%	Business rate
Rebate for no Municipal services on property OR	30.0%	Residential properties rate
Partial Municipal services on property	25.0%	Residential properties rate
<u>AGRICULTURAL PROPERTIES USED FOR ECO-TOURISM</u>		
Residential properties rebate and	10%	Business rate
Rebate for no Municipal services on property OR	30.0%	Residential properties rate
Partial Municipal services on property	25.0%	Residential properties rate

Category/Description	Proposed rebate	Based on:
<u>RESIDENTIAL PROPERTIES VESTED IN ECO-VILLAGES(ESTATES)</u>		

Residential properties rebate and	10%	Business rate
Rebate for no Municipal services on property	30%	Residential properties rate
<u>RESIDENTIAL PROPERTIES VESTED IN PRIVATELY OWNED TOWNS SERVICED BY OWNER</u>		
Residential properties rebate and	10%	Business rate
Rebate for no Municipal services on property	30%	Residential properties rate
RETIRED AND DISABLED OWNERS ON RESIDENTIAL PROPERTY WITH RATEABLE VALUE OF LESS THAN R1 500 000		
Category/Description	Proposed rebate	Based on:
Owner with income up to R 4500 per month	45.0%	Business rate
Owner with income between R 4501 and R6000	35.0%	Business rate
Owner with income between R6001 and R7400	25.0%	Business rate
PRIVATE ROADS / PRIVATE OPEN SPACES		
Private roads / Private open spaces fully accessible to the public on individual erven	100.0%	
INDIGENT HOUSEHOLDS	Proposed rebate	Based on:
Owners with income up to the equivalent of two government old age pensions	100%	Business rate
Owners with income greater than two government old age pension and up to R4 500 per month	30.0%	Business rate

All above rebates will only be granted on completion of the necessary application form and the submission of all required documentation.

All applications will be subjected to verification before approval`