

# LEKWA LOCAL MUNICIPALITY

## Municipal Property Rates Policy



<b>VERSION CONTROL</b>					
<b>POLICY OWNER</b>		LEKWA MUNICIPALITY INCOME SECTION			
<b>POLICY EFFECTIVE DATE</b>		01/07/2021			
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## 1. LEGISLATIVE CONTEXT

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

## 2. DEFINITIONS

- 2.1 “Act” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “Definitions, words and expressions” as used in the Act are applicable to this policy document where ever it is used;
- 2.3 “Municipality” means the municipality of LEKWA LOCAL MUNICIPALITY;
- 2.4 “Privately owned towns serviced by the owner” means single properties, situated in an area not ordinarily being serviced by the municipality, divided through subdivision or township establishment into (ten or more) full title stands and/ or sectional title 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.
- 2.5 “Residential property” means improved property that:
- (a) is used **predominantly (60% or more)** for residential purposes:
    - does not have more than two units per property; and
    - 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 predominantly for residential purposes.
  - (c) Is owned by a share-block company and used solely for residential purposes.
  - (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.

**And specifically exclude vacant land irrespective of its zoning or intended use.**

### 3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 3.4 The rates policy for the municipality is based on the following principles:
- (a) Equity  
The municipality will treat all ratepayers with similar properties the same.
  - (b) Affordability  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
  - (c) Sustainability  
Rating of property will be implemented in a way that:
    - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
    - ii. Supports local social economic development
  - (d) Cost efficiency  
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

#### 4. SCOPE OF THE POLICY

- 4.1 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 **are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.**

#### 5. APPLICATION OF THE POLICY

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

#### 6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and Executive Mayor of the municipality, make provision for the following classification of services:-
- (a) Trading services
    - i. Water
    - ii. Electricity
  - (b) Economic services
    - i. Refuse removal.
    - ii. Sewerage disposal.
  - (c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a) and (b).
- 6.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

## **7. CATEGORIES OF PROPERTY**

7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

7.1.1 **Residential properties;**

7.1.2 **Industrial properties;**

7.1.3 **Business/commercial properties;**

7.1.4 **Agricultural properties;**

7.1.5 **Mining Properties;**

7.1.6 **State owned properties;**

7.1.7 **Public service infrastructure referred to in the Act;**

7.1.8 **Public Benefit organisations referred to in the Act;**

7.1.9 **Properties used for multiple purposes, subject to section 9**

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

7.1.10 Vacant Land;

7.1.11 Municipal properties

## **8. CATEGORIES OF OWNERS**

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

(a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;

(b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;



- (c) Owners of property situated within an area affected by-
  - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
  - ii. serious adverse social or economic conditions.
- (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget; and
- (e) Owners of agricultural properties as referred to in clause 13.1 (e).

## **9. PROPERTIES USED FOR MULTIPLE PURPOSES**

9.1 Rates on properties used for multiple purposes will be levied as follows: -

- (a) In accordance with the “permitted use of the property”.
- (b) In accordance with the “dominant use of the property” if (a) cannot be applied; or
- (c) In accordance with the “different uses” by apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

## **10. DIFFERENTIAL RATING**

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

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

10.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category; and/or

10.3 by way of reductions and rebates as provided for in this policy document.

## **11. EXEMPTIONS**

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

(a) Public Service Infrastructure

The municipality may not levy a rate on the first 30% of the market value of public service infrastructure as contemplated in section 17 (1) (a) of the Municipal Property Rates Act

(b) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

**except**

If any property belonging to a municipality is disposed off to any person, he/she shall be considered to be the owner liable for the payment of rates from the date he takes possession.

(c) Residential properties

All residential properties with a market value of less than the amount as annually determined by Council in schedule A are exempted from paying rates. The impermissible rates contemplated in terms of section **17(1) (h)** of the Municipal Property Rates Act is included in the amount referred to above as annually determined by the municipality. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

(d) Cemeteries and crematoriums

Private cemeteries and those on private farms are cemeteries registered in the names of private persons and operated not for gain.

(e) Place of Public Worship By A Religious Community

The municipality may not levy a rate on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship as contemplated in section 17 (1) (i) of the Municipal Property Rates Act

(f) Public Benefit Organisations

The following Public Benefit **Organisations may apply for the exemption of property rates** subject to producing 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):-

i. 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.

ii. Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

iii. Charitable institutions

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

iv. Sporting bodies

Property used by an organisation whose sole purpose is to use the property for sporting purposes on a non-professional basis.

v. Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

vi. Museums, libraries, art galleries and botanical gardens

Registered in the name of private persons, open to the public and not operated for gain.

vii. Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

viii. 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.

11.2 Exemptions will be subject to the following conditions: -

- (a) all applications referred to in 11.1 (f) must be addressed in writing to the municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the municipal manager or his/her nominee must approve all applications;
- (d) applications must reach the municipality before the **end of October** preceding the start of the new municipal financial year for which relief is sought; and
- (e) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

## 12. REDUCTIONS

12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following: -

12.1.1 Partial or total destruction of a property.

12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

12.2 The following conditions shall be applicable in respect of 12.1: -

12.2.1 The owner referred to in 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

12.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

**12.2.3 A reduction based on the discretion of the Executive Mayor and the Municipal Manager to a maximum of 50% will be allowed in respect of both 12.1.1 and 12.1.2 as mandated by Council.**

12.2.4 An ad-hoc reduction will not be given for a period in **excess of 6 months**, unless the **municipality gives further extension on application**.

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

### 13. REBATES

#### 13.1. Categories of property

(a) Business, commercial and industrial properties

- i. The municipality may **grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction as annually determined by Council in schedule A**, based on its Local, Social and Economic Development Policy. The following criteria will apply: -
  - a. job creation in the municipal area;
  - b. social upliftment of the local community; and
  - c. creation of infrastructure for the benefit of the community.
  
- ii. **A maximum rebate as annually determined by the municipality may be granted on applications as prescribed to on receiving an application prior to 30 September preceding the financial year applicable:**
  - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
  - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
  - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
  - d. a municipal resolution.

- iii. In determining the annual rebate the municipality shall take into consideration all relevant and applicable circumstances.

(c) **Residential properties**

The municipality may grant a rebate as annually determined by Council in **schedule A** which applies to improved residential property that is:-

- i. used predominantly for residential purposes;
- ii. registered in terms of the Sectional Title Act;
- iii. owned by a share-block company; or
- i. a rateable residence on property used for or related to educational purposes.

(d) **Privately owned towns serviced by the owner**

The municipality may grants **an additional rebate as annually determined by Council in schedule A**, which applies to privately owned towns **serviced by the owner qualifying as defined** in clause 2.4 of this policy provided that an application to that effect is received not later than 30 September of each year.

(e) **Agricultural property rebate**

- i. Agricultural/farm properties may be granted a **standard rebate as annually determined by Council in schedule A, provided that the farm owner is taxed by SARS as a farmer and that proof to this extent in the form of the last tax assessment is submitted.** If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40% of the household income.
- ii. **An additional rebate as annually determined by Council in schedule A, may be granted in respect of the following:**
  - a. For the permanent employment of 5 or more legally employed farm workers for an average continuous period of twelve months in accordance with applicable minimum service conditions set by the Department of Labour;
  - b. For the provision of permanent accommodation to farm workers and their dependants or families;
  - c. if such residential properties are provided with potable water;
  - d. if the farmer for the farm workers electrifies such residential

- properties.
- e. For the provision of land for burial, educational and recreational purposes to own farm workers as well as people from surrounding farms.
- iii. The granting of additional rebates is subject to the following:
- a. the submission of an affidavit by 30 September each year including a certificate from the owner's auditors indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met;
  - b. an assessment by the municipal manager or his/her nominee indicating that the application qualifies; and
  - c. a Council resolution.

## 13.2 Categories of owners

### (a) Retired and Disabled Persons Rate Rebate

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

- iii. Applications must be accompanied by-
  - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
  - b. sufficient proof of income of the owner and his/her spouse;
  - c. an affidavit from the owner;
  - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
  - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iv. These applications must reach the municipality before the end of February preceding the start of the new municipal financial year for which relief is sought.
- v. The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

13.3 Properties with a market value below a prescribed valuation level between **R15 000** and **R50 000** may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

13.4 **The extent of the rebate in terms of 13.1, 13.2 and 13.3 shall annually be determined by the municipality and it shall be included in the annual budget.**

## **14. PAYMENT OF RATES**

14.1 Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the seventh day of the month following on the month in which it becomes payable.

14.2 If the owner of property that is subject to rates, notify the municipal manager or his/her nominee in writing 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 instalments, such owner



shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in twelve instalments until such notice is withdrawn by him/her in a similar manner.

14.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.

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

14.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act as follows:-

14.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the arrear amount in full or partially as follows: (arrears might include collection costs)

14.5.2.1 From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;

14.5.2.2 From a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 14.5.2.1 but such attempt was unsuccessful or no such agent exists or

14.5.3 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by owner of the property.

14.5.5 The notice referred to in 14.5.4 shall give the party concerned at least 14 calendar days to pay the outstanding rates.

## 15. ACCOUNTS TO BE FURNISHED

- 15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:
- (i) the amount due for rates payable,
  - (ii) the date on or before which the amount is payable,
  - (iii) how the amount was calculated,
  - (iv) the market value of the property, and
  - (v) rebates, exemptions, reductions or phasing-in, if applicable.
- 15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned. It will be the responsibility of the joint owners to inform Council in writing of any changes in ownership and who the owner/partner is that is responsible for the payment of the accounts.

## 16. PHASING IN OF RATES

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

## **17. FREQUENCY OF VALUATION**

- 17.1 The municipality shall prepare a new valuation roll every **5 (five) years**, with the option to **extend the validity of the valuation roll to 7 (seven) years with the approval of the MEC** for Local Government in the province.
- 17.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained.

## **18. COMMUNITY PARTICIPATION**

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

## **19 CORRECTION OF ERRORS AND OMISSIONS**

- 19.1 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.

19.2 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.

## **20 REGISTER OF PROPERTIES**

20.1 The municipality will **compile and maintain a register in respect of all properties** situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.

20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.

20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:-

- i. Exemption from rates in terms of section 15 of the Property Rates Act,
- ii. Rebate or reduction in terms of section 15,
- iii. Phasing-in of rates in terms of section 21, and
- iv. Exclusions as referred to in section 17.

20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.

20.5 The municipality will update Part A of the **register every 12 months** during the supplementary valuation process except for year one in which the register maybe updated twice.

20.6 Part B of the register will be **updated on a continuous** basis.

## **21 COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL**

- 21.1 The Municipal Manager shall ensure that the revenue foregone in respect of the foregoing rebates, exemptions, reductions and phasing-in are appropriately disclosed in each annual operating budget, annual financial statements and annual report and that such rebates, exemptions, reductions and phasing-in are clearly indicated on the rates account submitted to each property owner.
- 21.2 The costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates as reflected in **schedule B**
- 21.3 The benefit to the community of granting relief measures may be-
- i. the promotion of local economic development including attracting business investment, for example small business establishment;
  - ii. creation of employment for municipal residents;
  - iii. promotion of service delivery, for example by farmers;
  - iv. poverty alleviation to the indigents;
  - v. social development and moral development, for example, by religious institutions, sports institutions, schools and other non-governmental organisations which promote health and other benefit to the community; and
  - vi. Improved local economic growth.

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

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

## **23 REGULAR REVIEW PROCESSES**

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

## SCHEDULE A - SCHEDULE OF EXEMPTIONS AND REBATES

Category/Description	Policy Reference	Council's adopted rebate
<b><u>Exemptions /Impermissible</u></b>	MPRA Sec 17	
1. Public Service Infrastructure	11(1)(a)	First 30% of market value
2. Municipal Property	11(1)(b)	100%
3. Residential	11(1)(c)	First R15 000 of value
4. Cemeteries and crematoriums	11(1)(d)	100%
5. Place Public Worship By a Religious Community	11(1)(e)	50%
6. Public Benefit Organisations <b><i>(On Application)</i></b>	11(1)(f)	50%
<b><u>Rebates – Category of Property</u></b>	MPRA Sec 15	
1. Business, Commercial and Industrial properties	13(1)(a)	0%
2. State Properties (Including Schools)	13(1)(b)	0%
3. Residential Properties	13(1)(c)	0%
4. Privately Owned Towns	13(1)(d)	0%
5. Agricultural Land – Maximum Rebate		60%
<ul style="list-style-type: none"> <li>▪ Agricultural Land - Standard Rebate</li> </ul>	13(1)(e)(i)	0%
<ul style="list-style-type: none"> <li>▪ Agricultural Land - Contribution to social and economic welfare of farm workers: <b><i>(On Application)</i></b> <ul style="list-style-type: none"> <li>i. For the permanent employment of 5 or more legally employed farm workers</li> <li>ii. Permanent residential property provided to the farm workers</li> <li>iii. Residential property provide with potable water</li> <li>iv. Residential property provide with electricity</li> <li>v. Availing land/buildings for: burial, education or recreational purposes</li> </ul> </li> </ul>	13(1)(e)(ii)	<p style="text-align: center;">0%</p> <p style="text-align: center;">20%</p> <p style="text-align: center;">20%</p> <p style="text-align: center;">20%</p> <p style="text-align: center;">40%</p>
<b><u>Rebates – Category of Owners</u></b>	MPRA Sec 15	
1. Retired and disabled persons (only residential properties <b><i>on application</i></b> ): Income less than R 5 000.00 per month	13(2)(a)	40%

**SCHEDULE B**

**The costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates (Refer Section 15 (3) of Municipal Property Rates Act)**

	R	c
i. <u>Exemptions</u>		
Municipal properties	.....	
Residential properties	.....	
Cemeteries and crematoriums	.....	
Public service infrastructure	.....	
Public benefit organisations	.....	
ii. <u>Reductions</u>		
Properties affected by disaster	.....	
Properties affected by serious adverse social or economic conditions	.....	
iii. <u>Rebates</u>		
Business, Commercial, Industrial & Enterprises that promote local, social and economic development	.....	
State properties	.....	
Residential properties	.....	
Privately owned towns	.....	
Agriculture	.....	
Retired and disabled persons	.....	
Child headed families	.....	
iv. <u>Phasing in</u>		
Newly rateable property	.....	
Land reform beneficiaries	.....	
v. <u>Exclusions</u>		
Public service infrastructure	.....	
Municipal Property	.....	
Residential property (mandated R 15 000 exemption)		
Cemtries and Crematoriums	.....	
Public places of worship	.....	
<b>Total Cost</b>	_____	