PROPERTY RATES POLICY

FINANCIAL YEAR 2026/2027

MBHASHE MUNICIPALITY

Ilifa lethu elixabisekileyo liyinkqubela

APPROVED BY:

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DATE: 22/06/2026

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EXECUTIVE MAYOR
DATE: 22/06/2026

Table of Contents

1. Preamble 3
2. Definitions 3
3. Purpose of policy 12
4. Statutory framework 12
5. Imposition of property rates 13
6. Categories of rateable properties 16
7. Categories of owners 18
8. Exemptions 18
9. Impermissible Rates 20
10. Reductions 20
11. Rebates 21
12. Special geographical areas 27
13. Special rating areas 27
14. Phasing-in of rates 28
16. Promulgation of resolutions levying rates 29
17. Payment of rates 30
18. Accounts to be furnished 31
19. Liability for and recovery of rates 31
20. General valuation of rateable property 32
21. Correction of errors and omissions 32
22. Cost of exemptions, rebates, reductions and phasing-in discounts of rates 32
23. Budget related policy 33
24. By-laws to give effect to this rates policy 33
25. POLICY GOVERNANCE 34

1. Preamble

In terms of section 3 of the Municipal Property Rates Act No. 6 of 2004 as amended (MPRA), the Council of the municipality is required to adopt a policy consistent with the provisions of the Act on the levying of rates on rateable property within the municipality.

In order to give effect to the said section 3 of the MPRA, the Council of the municipality adopts the policy contained herein.

2. Definitions

Any words and phrases referred to in this policy shall have the meaning and interpretation assigned thereto in the MPRA, a reference to the male gender shall include the female and neuter genders and, for ease of reference and to facilitate the application of this policy, unless the context indicates otherwise-

"Act" means the Local Government: Municipal Property Rates Act No. 6 of 2004 as amended and includes its regulations;

"accommodation establishment" means a property that, although zoned for single residential purposes, provides residential accommodation on a regular and continuous short-term rentable basis in addition to its permitted use and includes guesthouses, **"bed & breakfast"** and **"self-catering"** establishments and, for purposes of this policy, such establishment shall be regarded as business property;

"agent" in relation to the owner of a property, means a person appointed by the owner of such property to receive rental or other payments or make payments in respect of the property onbehalf of the owner;

"agricultural property" means a property that is used primarily for agricultural purposes but, without derogating from Section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of ecotourism or for the trading in or hunting of game;

"arrear rates" means any amount due for assessed rates which remains unpaid after the due date for payment;

"annually" means once every financial year;

"business" means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of the cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms;

"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;

"category of properties" means a category of properties determined according to zoning, use of the property, permitted use of the property or the geographical area in which the property is situated;

"community" means the local community;

"Constitution" means the Constitution of the Republic of South Africa Act No.108 of 1996;

"Council" means the council of the municipality as envisaged in section 157(1) of the Constitution and section 18 (3) of the Local Government: Municipal Structures Act No. 117 of 1998;

"date of valuation" for the purposes of a general valuation, means the date determined by the Council, which date may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented;

"'day' means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

"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 from the payment of rates granted by the Council in terms of section 15 of the Act;

"farm property" or **"farm"** refers to property that is capable of being used productively for agricultural and farming purposes, either on a full-time or a part-time basis, regardless of whether or not agriculture forms the principal source of income for the owner or tenant thereof and provided further that this definition shall not interpreted in a manner that excludes a smallholding from being regarded as "farm property" or a "farm";

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

"Income Tax Act" means the Income Tax Act No. 58 of 1962 as amended;

"indigent owner" means an owner of property who is in permanent occupation of such property and is registered as an indigent in terms of the municipality's indigent policy;

"land reform beneficiary" in relation to a property, means a person who-

(a) acquired such property through-

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

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

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

or

(c) holds or acquires the property in question 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 No. 11 of 2004;

"local community" in relation to the municipality-

(a) means that body of persons comprising:

(i) the residents of the municipality;

(ii) the ratepayers of the municipality;

(iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and

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

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

"market value" in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

"MEC for local government" means the member of the Executive Council responsible for local government in the Eastern Cape Province;

"**Minister**" means the Cabinet member responsible for local government;

"MPRA" means the Municipal Property Rates Act No. 6 of 2004;

"multiple purposes" in relation to a property, means the use of a property for more than one purpose, subject to section 9;

"municipal council" or "council" means the municipal council of Mbhashe Local Municipality;
"Municipal Finance Management Act" means the Local Government: Municipal Finance Management Act No. 56 of 2003;

"municipality" means the Mbhashe Local Municipality;

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

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

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

"municipal valuer" or "valuer of a municipality" means a person designated as a municipal valuer in terms of section 33 (1) of the Act;

"newly rateable property" means rateable property on which property rates were not levied before the end of the financial year preceding the date on which the 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 responsible for local government by notice in the Gazette where the phasing-in of a rate is not justified;

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

"office bearer": in relation to places of public worship, means the primary person who officiates at services at that place of worship;

"official residence", in relation to places of public worship, means-

(a) a portion of the property used for residential purposes: or

(b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for an office bearer;

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

"owner"-

(a) in relation to a property referred to in paragraph (a) of the definition of "property", means a person in whose name ownership of the property is registered;

(b) in relation to a right referred to in paragraph (b) of the definition of "property", means a

person in whose name the right is registered;

(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;

(bB) in relation to a share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);

(bC) n relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit; and

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled", provided that a person mentioned below may, for the purposes of the Act, be regarded by the municipality as the owner of a property in the following cases:

(i) a trustee, in the case of a property in a trust excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

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

(v) a curator, in the case of a property in the estate of a person under curatorship;

(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) a lessee, in the case of a property that is registered in the name of the municipality and is leased by it; or

(viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or(

(viii) subject to this policy, a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer thereof pending registration of ownership in the name of the buyer concerned;

"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;

"**person**" includes an organ of state;

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

(a) registered in the name of a religious community;

(b) registered in the name of a trust established for the sole benefit of a religious community;

(c) subject to land tenure right.

"prescribed" means prescribed in terms section 83 of the Act or a regulation promulgated in terms of the Act;

"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 No. 57 of 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 No. 1 of 1999);

(b) a municipality; or

(c) a municipal entity as defined in the Municipal Systems Act No. 32 of 2000);

"public service infrastructure" means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;

(g) runways [or] aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;

(h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or

infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; communications system serving the public;

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) a right registered against immovable property in connection with infrastructure mentioned in subparagraphs (a) to (i) above;

"**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";

"rate" means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

"rateable property" means property on which the municipality may, in terms of section 2 of the Act, levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

"**ratio**", in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

"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 a rateable 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 such property was valued and the rating of the property concerned at that lower amount;

"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;

"Sectional Titles Act" means the Sectional Titles Act No. 95 of 1986;

"**sectional title scheme**" means a scheme defined in section 1 of the Sectional Titles Act;

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

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

"state trust land" means land owned by the state -

(a) in trust for persons communally inhabiting the land in terms of a traditional system of land

tenure;

(b) over which land tenure rights were registered or granted; or

(c) which is earmarked for disposal in terms of the Restitution of Land Rights Act No. 22 of 1994;

"smallholding" means a property which, whether improved or not by the erection of a dwelling thereon, is not large enough to support a commercially viable farming operation, but able to provide a subsistence level of output for the owner thereof provided that this definition shall not preclude the Council, upon the submission of satisfactory and acceptable proof by the owner thereof, from regarding such property as a "farm" or "farm property" for the purpose of granting any rebate or applying any differential rating system in terms of this policy;

"trading services" means services for which the tariffs are fixed to yield a trading profit and includes electricity and water services;

"vacant land" means land on which no immovable improvements have been erected.

3. Purpose of policy

3.1 The purpose of this policy is to allow the Council to exercise its power to impose rates within a statutory framework for the purpose of enhancing certainty, uniformity and simplicity, taking into account the historical imbalances within communities, as well as the burden of rates on the poor.

3.2 As trustees on behalf of the local community, the Council shall adhere to its statutory and moral obligation to ensure that it implements this policy in a manner which safeguards the monetary value and future service provision invested in property.

4. Statutory framework

4.1 This policy is mandatory in terms of section 3 of the MPRA as amended which specifically provides that the Council of a municipality must adopt a Rates Policy consistent with the provisions of the Act on the levying of rateable property in the municipality.

4.2 In terms of section 4 (1) (c) of the Municipal Systems Act No. 32 of 2000 read with section 229 of the Constitution, the municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on property.

4.3 In terms of the MPRA, a municipality in accordance with-

(a) section 2(1) thereof, may levy a rate on property in its area; and

(b) section 2(3) thereof, 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 Act and any regulations promulgated in terms thereof; and

(iii) the rates policy which it must adopt.

4.4 In terms of section 62(1)(f)(ii) of the Municipal Finance Management Act No. 56 of 2003, the municipal manager must ensure that the municipality has and implements a rates policy which must comply with the provisions of the MPRA.

4.5 This policy must be read together with, and is subject to the stipulations of the MPRA, its regulations and any other applicable law.

4.6 This policy shall be applied with due observance of and compliance with the municipality's associated by-laws, policies and directives.

5. Imposition of property rates

5.1. The Council shall, as part of each annual operating budget component, impose a rate in the rand on the value of all rateable properties recorded in the municipality's valuation or supplementary valuation roll, provided that properties with a market value below a prescribed valuation level to be determined annually by the Council may be rated at a uniform fixed amount per property, instead of a rate determined on the value thereof as reflected in the applicable valuation roll.

5.2 The Council shall, in imposing the rate for each financial year, take cognizance of:

(a) the aggregate burden of rates and service charges on representative property owners in the various categories of property ownership and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region of the municipality;

(b) the inflation rate as indicated by the consumer price index;

(c) the medium-term budget growth factor determined by National Treasury guidelines.

5.3 The following principles underpin this policy:

(a) All ratepayers, in a specific category, as determined by the Council from time to time, shall be treated equitably, as required by Section 3 (3) (a) of the Act and, to this end:

(i) ratepayers with similar properties of similar market values will pay similar levels of rates;

(ii) the Council shall take into account the ability of ratepayers to pay their rates;

(iii) the Council shall take cognizance of the effect on the rates burden of ratepayers of the migration from a site rating system to a system where the market value of the land, or site together with the improvements thereon, is rated.

(b) Rates are raised in proportion to the market value of the property;

(c) The municipal manager or his nominee must, subject to the guidelines provided by the National Treasury and the Council, make provision for the following classification of services rendered by the municipality: -

(i) trading services;

(ii) economic services;

(iii) community and subsidised services which shall exclude trading and economic services.

(d) Trading and economic services referred to in subparagraph (c) must be ring fenced and financed from service charges while community and subsidised services referred to in that subparagraph will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income;

(e) Unless compelling reasons exist to the contrary, property rates shall not be used to subsidize trading services;

(f) The exemptions, reductions and rebates which may be granted in terms of this policy should not unreasonably affect the income base of the municipality;

(g) The determination of a rates tariff must allow the Council to promote local, social and economic development.

5.4 In pursuant of section 3 (3) (b) of the Act, it is the policy of the Council, before: -

5.4.1 levying different rates for different categories of properties determined in terms of section 8;;

5.4.2 exempting a specific category of owners of properties or the owners of a specific category of properties from payment of a rate on their properties;

5.4.3 granting to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rate payable in respect of their properties;; or

5.4.4 increasing or decrease rates -to consider and apply the following criteria which shall have a bearing on such action -

(a) the need to alleviate poverty;

(b) the need to stimulate industrial growth;

(c) the importance of promoting tourism;

(d) the creation of work opportunities in the municipality;

(e) the maintenance of agricultural activity;

(f) the need for assistance by charitable and other public benefit organizations;

(g) the municipality's budgetary needs;

(h) the municipality's integrated development plan; and

(i) surpluses contributed by other services –

5.4.5 provided that the rate on the categories of non-residential property listed in the first column of the under-mentioned table may not exceed the ratio to the rate on residential properties listed in the second column of the said table, where:

(i) the first number in the second column of the table represents the ratio to the rate on residential properties;

(ii) the second number in the second column of the table represents the maximum ratio to the rate on residential property that may be imposed on the non- residential properties listed in the first column of the table:

Categories	Ratio in relation to residential
Residential property	1:1
Industrial	1: 2,0
Business	1: 1,5
Public Service Purpose	1: 1,6
Public service infrastructure	1: 0,25
Agricultural Property	1: 0,25
Vacant Land	1:1
Multi-purpose properties	1:1

5.5 Compliance with section 3 (3) (c) of the Act.

In terms of Section 3 (3) (c) of the Act, the Council has determined categories as referred to in paragraph 6 of this policy.

5.6 Compliance with section 3 (3) (d) of the Act.

Pursuant to section 3 (3) (d) of the Act, it is the policy of the Council to exercise its powers in terms of section 9 (1) of the Act in relation to properties used for multiple purposes by assigning a property use for multiple purposes to a category determined in accordance with the provisions of the said section 9 of the Act.

5.7 Compliance with section 3 (3) (e) of the Act.

It is the policy of the Council to identify and provide reasons for the grant of exemptions, rebates and reductions granted in terms of this policy.

5.8 Compliance with section 3 (3) (f) of the Act.

Pursuant to section 3 (3) (f) of the Act, it is the policy of the Council to grant registered indigent property owners and poor and disabled persons a rebate on their rates account in a manner specified in this policy.

5.9 Compliance with section 3 (3) (g) of the Act.

It is the policy of the Council to grant organizations conducting specific public benefit activities and which are registered in terms of the Income Tax Act No. 58 of 1962 for tax reductions because of those activities, exemptions, rebates or reductions as provided in this policy in respect of properties owned and used by such organizations for their approved activities.

5.10 Compliance with section 3 (3) (h) of the Act.

Pursuant to section 3 (3) (h) of the Act, it is the policy of the Council not to consider further rebates on public service infrastructure but to apply the exemptions permitted in terms of the Act.

5.11 Compliance with section 3 (3) (i) of the Act.

Pursuant to section 3 (3) (i) of the Act, it is the policy of the Council to promote the interests of social or economic development or, when competing with other municipalities for investments of a specific nature, to consider providing rates incentives in order to attract such development or investments, provided such development or investments are quantifiably beneficial to the community.

5.12 Compliance with section 3 (3) (j) of the Act.

Pursuant to section 3 (3) (j) of the Act, it is the policy of the Council not to levy rates on property owned by or vested in the municipality, except where such property is leased, and on a right registered against any property.

6. Categories of rateable properties

6.1 Different rates may be levied in respect of the under-mentioned categories of rateable properties:

- **(a)** residential properties;
- **(b)** industrial properties;
- **(c)** business and commercial properties;
- **(d)** smallholdings used for -
  - **(i)** residential purposes;
  - **(ii)** industrial purposes;
  - **(iii)** business and commercial purposes; or
  - **(iv)** purposes other than those specified in subparagraphs (i) to (iv) above;
- **(e)** Public Service Purposes;
- **(f)** municipal properties;
- **(g)** public service infrastructure;
- **(h)** privately owned towns serviced by the owner;
- **(i)** formal and informal settlements;
- **(l)** communal land as defined in the Communal Land Rights Act, 2004;

(m) state trust land owned by the state-

(i) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

(ii) over which land tenure rights were registered or granted; or

(iii) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994;

(n) properties-

(i) acquired through the Provision of Land and Assistance Act, 1993 or the Restitution of Land Rights Act, 1994; or

(ii) which is subject to the Communal Property Associations Act, 1996;

(o) protected areas as defined in the National Environmental Management: Protected Areas Act, 2003, namely-

(i) special nature reserves, nature reserves (including wilderness areas) and protected environments;

(ii) world heritage sites;

(iii) specially protected forest areas, forest nature reserves and forest wilderness areas declared in terms of the National Forests Act, 1998; and

(iv) mountain catchment areas declared in terms of the Mountain Catchment Areas Act, 1970;

(p) properties on which national monuments are proclaimed;

(q) properties owned by public benefit organisations;

(r) properties used for multiple purposes, subject to paragraph 5.6.

(s) schools defined in educational laws as -

(i) public schools; and

(ii) independent schools;

(t) sports facilities;

(u) privately owned estates;

(v) Agricultural properties; and

(w) Vacant land

6.2. In determining the category of a property referred to in paragraph 6.1, the following criteria or a combination thereof shall be taken into consideration: -

(a) the formal zoning of the property;

(b) township establishment approvals;

(c) the actual use of the property;

(d) the permitted use of the property; and

(e) the geographical area in which the property is situated.

6.3 In order to create certainty and to ensure consistency, the criteria listed in paragraph 6.2 shall be applied in the following manner:

(a) properties shall principally be categorised in accordance with their formal zoning in terms of the town planning scheme regulations applicable to the municipality;

(b) if, for whatever reason, the status or zoning of a property cannot be determined in terms of subparagraph (a), the actual use thereof shall then be determined in order to appropriately categorise such property. All relevant information, including circumstantial evidence and the results of a property inspection, may be taken into consideration in an attempt to determine the purpose for which the property is being used;

(c) the geographical area in which a property is situated may be used to assist in the categorisation of a property when subparagraph (a) cannot be applied.

6.4 Properties used for multiple purposes shall be categorised and rated according to their permitted use.

6.5 For purposes of this policy, accommodation establishments shall be regarded as business properties and be categorised as such.

7. Categories of owners

7.1 For the purpose of granting exemptions, reductions and rebates as provided in this policy, the under-mentioned categories of owners of properties are determined with a view to the alleviation of poverty and to decrease the rates burden on the poor:

7.1.1 Those owners who qualify and who are registered as indigents in terms of the indigent policy of the municipality;

7.1.2 Those owners who do not qualify as indigents in terms of the aforesaid indigent policy but whose total monthly income is equal to or less than an amount annually determined by the Council when approving the municipal budget;

7.1.3 Pensioners and child-headed families.

7.2 The owners of property situated within an area affected by disaster within the meaning of the Disaster Management Act No. 57 of 2002 or by serious adverse social or economic conditions with a view to alleviating their economic plight and decreasing their rates burden due to circumstances beyond their control.

7.3 Owners of agricultural properties as referred to in paragraph 11.1.5 of this policy due to the limited services provided to such properties by the municipality and in to comply with section 3 (4) of the Act.

8. Exemptions

The following categories of property are exempted from the payment of rates:

8.1 Municipal properties

(a) The municipality is exempted from the payment of rates on municipal properties used for municipal purposes on the basis that the imposition of rates on such properties will increase the rates burden on or service charges payable by property owners or consumers provided that this exemption shall not apply in respect of leased or alienated rateable municipal properties in respect of which the lessee or purchaser thereof shall be responsible for the payment of assessed rates thereon in accordance with the applicable policy of the municipality.

(b) Where a municipal property has been sold to a non-profit organisation subject to the right of resumption in favour of the Council on the occurrence of a specified event or upon the lapse of a specified period of time, such property shall be regarded as a municipal property and the owner of such property shall be exempted from the payment of assessed rates thereon.

8.2 Public Benefit/Non-Governmental and Cultural Organisations

The following Public Benefit and Non-Governmental Organisations may be exempted from the payment of rates:

8.2.1 Welfare & Humanitarian Institutions

Properties used exclusively as an orphanage, non-profit retirement village, old age home or other non-profit institution for the benefit of the public or a section thereof, provided that any profits from the use of the property are used entirely for the benefit of the institution concerned and/or for charitable purposes within the municipality.

8.2.2 Animal Welfare

Property registered in the name of and used by institutions/ organizations whose exclusive aim is to protect birds, reptiles and other animals on a non-profit basis.

8.2.3 Cultural

8.2.3.1 Property registered in the name of a declared institution in terms of the Cultural Institutions Act No. 119 of 1998 as amended promoting the cultural aims as defined in section (6)(a) and (b) of the Ninth Schedule to the Income Tax Act and which is applicable to:

(a) the advancement, promotion or preservation of the arts, culture or customs;

(b) the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, art galleries, archives and libraries.

8.2.3.2 Property registered in the name of a cultural organization or any organization which is, in the opinion of the Council, promoting the cultural aims as defined in section (6)(c) of the Ninth Schedule to the Income Tax Act and which is applicable to the provision of youth leadership or development programs.

8.2.4 Conditions applicable to applications

The following conditions apply in respect of an application for exemption in terms of this subparagraph:

(a) applications for exemption must be submitted annually in writing and on the prescribed form;

(b) applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule to the Income Tax Act;

(c) the municipal manager or his nominee must approve all applications;

(d) the Council retains the right to refuse an application for exemption if the details supplied in the application form are incomplete, incorrect or false;

(e) if, during the currency of any financial year, any property or portion thereof is used for a purpose other than the purpose in respect of which an exemption in terms of this subparagraph has been granted, the Council shall impose rates on the exempted property or portion thereof so used, at a rate proportionate to the period of such use.

9. Impermissible Rates

In terms of section 17(1) of the Act and subject to the provisions of this sub-section, the municipality may, inter alia, not levy a rate:

(a) on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act No. 57 of 2003, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, Act No. 10 of 2004, which are not developed or used for commercial, business, agricultural or residential purposes;

(b) on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act;

(c) on a property belonging to a land reform beneficiary or his heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds;

(d) on a property registered in the name of and used primarily as a place of public worship by a religious community including an official residence registered in the name of that community and which is occupied by an office-bearer thereof who officiates at services at that place of worship.

10. Reductions

10.1 Reductions as contemplated in section 15 of the Act will be considered by the Council on an ad-hoc basis on account of the diminished value of a property in the event of the following:

10.1.1 The partial or total destruction of a property;

10.1.2 A disaster as defined in the Disaster Management Act No. 57 of 2002 in circumstances where the Council considers a reduction in the value of affected properties to be just and equitable;

10.2 The following conditions shall be applicable to an application for a reduction in terms of subparagraph 10.1:

10.2.1 The owner of a property referred to in subparagraph 10.1.1 shall apply in writing for a reduction and the onus will rest on such owner to prove to the satisfaction of the Council that the property concerned has been totally or partially destroyed. Such owner must also indicate to what extent the property concerned can still be used and the impact of the partial or total destruction thereof on its value;

10.2.2 Property owners will only qualify for a reduction if the property concerned is affected by a disaster as envisaged in the Disaster Management Act No. 57 of 2002.

10.3 A maximum reduction of 80% of the assessed value of the property as appearing in the valuation roll will be allowed in respect of both events referred to in subparagraphs 10.1.1 and 10.1.2.

10.4 Subject to any further extension as the Council may, in writing, approve, a reduction granted in terms of this subparagraph shall be valid for a period not exceeding 6 months.

10.5 On the first R60 000 of the total market value of a property assigned in the valuation roll or supplementary valuation roll of the Municipality to a category determined by the municipality:

10.5.1 for residential properties

10.5.2 for residential zoned properties used for multipurpose, provided one or more components of the property are used for residential purposes.

11. Rebates

The Council may, in conjunction with the consideration of the municipality's annual budget, grant the following rebates:

11.1 Categories of property

11.1.1 Business, commercial and industrial properties

The Council may grant rebates, in a percentage determined by resolution, to the owners of rateable business, commercial and industrial properties (herein referred to as an "enterprise") which contribute to job creation in the municipal area, the social upliftment of the local community and the creation of infrastructure for the benefit of the community.

For purposes of this subparagraph, the enterprise concerned must be situated on land zoned for the usage thereof and must ordinarily employ at least 25 or more full-time employees.

Rebates in terms of this subparagraph will be phased out within five years from the date they were first granted.

The rebates envisaged in this subparagraph may be granted upon application, subject to:

(i) the submission to the municipality of an acceptable business plan issued by the authorised representative of the enterprise concerned indicating how it intends meeting the local, social and economic development objectives of the municipality;

(ii) the submission to the municipality of an acceptable continuation plan issued by the aforesaid authorised representative and certified by the auditors of the enterprise stating that the aforementioned objectives have been met in the first year after the establishment of the enterprise concerned and how such enterprise plans to continue to meet the identified objectives;

(iii) an assessment by the municipal manager indicating that the relevant enterprise qualifies for the rebate in terms of the Council's requirements; and

(iv) an authorising Council resolution.

11.1.2 New commercial or industrial developments

In order to stimulate new commercial or industrial development in the municipality, the following rebates may, upon application, be granted by the Council to owners of properties which are being developed for new, approved commercial or industrial developments:

(a) 100% of the assessed rates payable on the improved value until the development has been completed;

(b) 75% of the assessed rates on the improved value for the financial year or part thereof immediately following the completion of the development;

(c) 50% of the assessed rates on the improved value in the second financial year; and

(d) 25% of the assessed rates on the improved value in the third financial year following the completion of the development.

11.1.3 Small, very small and micro business enterprises

For purpose of this subparagraph, a small business enterprise means a separate and distinct business entity, together with its branches or subsidiaries, if any, including co-operative enterprises, managed by one or more owners and predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Schedule to the National Small Business Act No. 102 of 1996 (the Act) and classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the said schedule.
The Council may, upon application, grant a rebate, in a percentage determined by resolution, to the owner of rateable property lawfully used for a small, very small and micro business enterprise, subject to the following conditions:

(a) the property in respect of which the rebate is sought must be owned and utilized by the owner(s) concerned; and

the owners concerned: -

(b) providing proof to the satisfaction of the Council, of the enterprise's registration with a responsible authority, if applicable;

(c) if applicable, being in possession of a business licence or licences issued by the municipality or responsible authority authorising the relevant business;

(d) providing proof that the business meets all the requirements (relating to sector, size or class, total employment, total annual turnover and total gross asset value (fixed property

excluded)) referred to in the aforesaid Act and the schedules thereto;

(e) being in a position to submit audited financial statements in respect of the business.

11.1.4 Privately owned estates serviced by the owner

The Council may, upon application and on an ad hoc basis, grant a rebate to the owner of a private estate serviced by that owner in consideration of his contribution to the infrastructure in the municipality and the financial benefit the municipality will derive from such development.

For purposes of this subparagraph "privately owned estates serviced by the owner" shall mean single properties situated in an area not ordinarily serviced by the municipality and divided through subdivision or township establishment into 10 (ten) or more full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

11.1.5 Public and private schools, universities and colleges

The Council may, upon application and by resolution, grant a rebate to the owners of the under-mentioned categories of property:

(a) Public schools which are State funded;

(b) Private schools which are not State funded in terms of section 34 of the South African Schools Act No. 84 of 1996 and are registered as independent schools in terms of the South African Schools Act No. 84 of 1996;

(c) Universities;

(d) Technical and other colleges.

11.1.6 Sporting bodies

The Council may, upon application and by resolution, grant a rebate on assessed rates in respect of property used by an organisation for sporting purposes on a non-professional basis.

The Council may, at its own discretion, grant a rebate on assessed rates in respect of property owned by and used by professional sporting organisations provided that such rebate may be lower than the rebate that may be granted to amateur sporting organisations.

An application for a rebate in terms of this subparagraph shall be submitted in writing to the municipality and be accompanied by such documents as the municipality may require including a tax exemption certificate issued by SARS as contemplated in Part 1 of the Ninth Schedule to the Income Tax Act.

11.1.7 Cemeteries and crematoriums

The Council may, by resolution, grant a rebate on assessed rates in respect of property registered in the name of a church organisation, any organisation established not for gain or any private person and used exclusively for burials and cremations.

11.1.8 Public health care institutions

The Council may, by resolution, grant rebates on assessed rates in respect of property used exclusively as a hospital or clinic, including workshops used by the inmates, laundry and cafeteria facilities, provided that any profits from the use of such property are utilized entirely for the benefit of the institution concerned and/or for charitable purposes within the municipality.

11.1.9 Welfare institutions

The Council may, by resolution, grant rebates on assessed rates in respect of properties used exclusively as orphanages, 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 occupation and/or use of such properties are utilized entirely for the benefit of the institutions concerned and/or to charitàble purposes within the municipality.

11.1.10 Charitable institutions

The Council may, by resolution, grant a rebate on assessed rates in respect of property owned or used by institutions or organisations whose aim is to perform charitable work on a not-for-gain basis and provided such institutions or organisations are registered in terms of the Non-profit Organizations Act No. 71 of 1997.

11.2 Categories of owners

11.2.1 Indigent owners and State Pensioners

(a) Indigent households meeting the requirements of this subparagraph shall be granted a rebate equal to 100% of the assessed rates on the property they own.
For purpose of this subparagraph, an "indigent household" means a debtor which is registered on the municipality's data base of indigent debtors and which is a poor private household:

(i) in circumstances where the total gross monthly income of all the members of such household does not exceed an amount equal to double an old age pension payable by the State, provided further that, in determining such income, child support grants shall not be included: and

(ii) where the head of the household as well as any other member of such household does not own fixed property other than the one in which they reside; and

(iii) the improved municipal value of the property in which the household resides does not exceed a value as determined by Council from time to time.

(b) Pensioners qualify for a rebate equal to 100% of the assessed rates on the property they own according to their monthly household income.

In order to qualify for a rebate in terms of this subparagraph, the applicant must:

(a) occupy the property as his normal residence;

(b) must be at least 60 years of age upon application, provided that where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;

(c) be in receipt of a total monthly income from all sources (including income of spouse of owner and the pension) not exceeding an amount annually determined by the Council which amount shall not be less than an amount equal to double an old age pension payable by the State;

(d) not be the owner of more than one property provided that, where the owner is unable to occupy the property due to no fault of his own, the spouse or minor children may satisfy the occupancy requirement.

Property owners must apply on a prescribed application form for a rebate as determined by the municipality.

Applications for a rebate in terms of this subparagraph must be accompanied by-

(i) a certified copy of the identity document or any other proof of the owner's age which is acceptable to the municipality;

(ii) sufficient proof of income of the owner and his spouse;

(iii) an affidavit from the owner.

Applications for a rebate in terms of this subparagraph must reach the municipality by not later than 31 August in the financial year in which the rebate is sought.

The municipality reserves the right to refuse applications for rebates if the details supplied on the application form are incomplete, incorrect or false.

The rebate granted in terms of this subparagraph lapses:

(a) on the death of the applicant;

(b) on the alienation of the property; and

(c) when the applicant ceases to reside permanently on the property concerned.

For purposes of this subparagraph a "pensioner" shall include a disabled person who in receipt of a State disability grant.

11.2.2 Pensioners and disabled (other sources)

Retired and disabled persons in receipt of a monthly household income from all sources in excess of double the amount of an old age pension payable by the State but not exceeding R10 000 per month qualify for a rebate to a maximum of 50% on the rates assessed on their properties, as determined by council on an annual basis.

INCOME BRACKETS	MAXIMUM PERCENTAGE REBATE
Double state pension amount - R3000	50%
R3001 – R4000	25%
R4001 – R5000	17,5%
R5001 – R10 000	10%
R 10 000>	5%

In order to qualify for a rebate in terms of this subparagraph, the applicant must:

(a) occupy the property in respect of which the rebate is sought as his normal residence;

(b) be the owner of the property concerned;

(c) produce a bar-coded identity document;

(d) be at least 60 years of age on 1 July of the financial year in which the rebate is sought;

(e) be in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding R10 000 per month; and

(f) not be in receipt of an indigent subsidy from the municipality.

The grant of a rebate in terms of this subparagraph is subject to the following conditions:

(i) An owner must annually submit an application for a rebate on the prescribed form which shall be accompanied by such documentary proof (including proof of monthly household income) as may be required;

(ii) The aforesaid application must be submitted to the municipality by not later than 31 August of the financial year in which the rebate is sought, failing which the rebate will not be granted;

(iii) Any owner who, during a financial year, for the first time, meets all the qualifying criteria, may apply to receive the rebate from the date of receipt by the municipality of the application and for the remainder of that financial year.

A rebate granted in terms of this subparagraph will lapse:

(a) on the death of the applicant;

(b) on the alienation of the property; and

(c) when the applicant ceases to reside permanently on the property concerned.

11.2.3 Child-headed households

Households headed by children qualify for a special rebate according to monthly household income.

To qualify for the rebate, the head of the household must: -

(a) apply annually;

(b) occupy the property together with members of his household as his normal place of residence;

(c) not be older than 18 years of age;

(d) submit proof of the death of both parents;

(e) still be a scholar or be jobless; and

(f) be in receipt of a total monthly income from all sources not exceeding an amount as annually determined by the Council provided that, in determining such amount, child

support grants received by the applicant shall be included.

The household head must apply on a prescribed application form for a rebate and must be assisted by the municipality with the completion of this form.

Applications must be accompanied by: -

(a) a certified copy of the identity document or any other proof of the applicant's age acceptable to the municipality;

(b) sufficient proof of total household income;

(c) an affidavit from the applicant stating that he is the head of child- headed household and confirming such information as the municipality may require.

The application must be lodged with the municipality not later than 31 August of the year in which the rebate is sought.

Applications made in terms of this subparagraph shall be evaluated by the municipality on the same basis as applications for indigent relief.

11.2.4 Rebate to limit rates shocks

(a) The Council may limit rates shocks to property owners materially affected by an increase in the market value of their properties as a result of the compilation and implementation of a new valuation roll. Such limitation may be achieved through the determination of an initial lower Cent in the Rand rate tariff on the valuation of a property and the adjustment of such tariff on a rising incremental basis during the succeeding three years of the validity period of the first general valuation roll prepared in terms of the MPRA, provided that, in the fourth year of such validity period, all ratepayers in the municipality shall be rated on the same basis.

(b) The relief granted by the Council, if any, in terms of this subparagraph shall not be granted on an individual basis but be approved by the Council equitably in a defined geographical area where all owners of property in such area are materially affected in a manner envisaged in subparagraph (a) above.

(c) Any relief granted by the Council in terms of this paragraph shall be regarded as a special rebate.

12. Special geographical areas

12.1 The Council may, by resolution, designate defined areas in the municipality as special geographical areas and, on the basis that the municipality either does not provide services or all services or is not responsible for the provision of services to such areas, grant rebates, in a manner determined by resolution, in respect of assessed rates on properties within such areas.

12.2 The services referred to in subparagraph (a) shall relate to the provision of streets, sewage services, electricity supply, water supply and refuse removal.

13. Special rating areas

13.1 The Council may, by resolution and subject to subparagraph 13.3, determine an area within the municipality as a special rating area with a view to levying an additional rate on property in that area for the purpose of raising funds for improving or upgrading the area concerned.

13.2 When levying additional rates in terms of subparagraph 13.1, the Council may differentiate between categories of properties.

13.3 Before determining a special rating area envisaged in subparagraph 13.1, the Council must-

(i) consult the local community, including on the following matters:

(a) the proposed boundaries of the area; and

(b) the proposed improvement or upgrading of such area; and

(ii) obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for the payment of the additional rate.

13.4 When the Council determines a special rating area it must:

(i) determine the boundaries of such area;

(ii) indicate how the area concerned is to be improved or upgraded by funds derived from the additional rate referred to in subparagraph 13.1;

(iii) establish separate accounting and other record-keeping systems complying with GRAP regarding-

(a) the revenue generated by the additional rate; and

(b) the improvement and upgrading of the area concerned.

13.5 For the purpose of consulting the community as envisaged in subparagraph 13.3, the Council may, through a transparent process and with due regard to especially gender representation, appoint a committee composed of persons representing the community in the proposed special rating area to act as a consultative and advisory forum on the intended improvement and upgrading thereof.

13.6 The committee referred to in subparagraph 13.5 shall perform its functions as a sub-committee of the ward committee or committees elected for the ward in which the proposed special rating area is situated.

13.7 The Council may not establish a special rating area in order to reinforce existing inequities in the development of the municipality and any determination of a special rating area in terms of this paragraph must be consistent with the objectives of the municipality's integrated development plan.

14. Phasing-in of rates

14.1 The rates to be levied on newly rateable property shall be phased-in in a manner provided in section 21 of the Act.

14.2 The phasing-in discount on the properties referred to in subparagraph 14.1 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.

15. Phasing-out of rates

15.1 Certain categories of Public Service Infrastructure (PSI) will become non-rateable. These include the following:

(a) Roads, Water infrastructure, Rail infrastructure, airports, breakwaters, quays.

Phasing-out period and percentages for the above mentioned categories: refer to table below:

Year	% Rateable after the impermissible deduction
1	80%
2	60%
3	40%
4	20%
5	10%

Other categories of PSI will be subject the impermissible provision, which is the first 30% of the market value of the property is not rateable. These categories of PSI are: Electrical infrastructure, communications, gas and fuel plants, pipelines and refineries.

16. Promulgation of resolutions levying rates

16.1 A rate is levied by resolution passed by the Council with a supporting vote of a majority of the members of the Council.

16.2 The resolution levying rates must be promulgated by publishing it in the Provincial Gazette.

16.3 Whenever Council passes a resolution in terms of subparagraph 15.1, the municipal manager must, without delay-

(a) conspicuously display the resolution for a period of at least 30 days-

(i) at the municipality's head and satellite offices and libraries; and

(ii) on the official website of the municipality; and

(b) advertise in the media a notice stating that-

(i) a resolution levying a rate on property has been passed by the Council; and

(ii) that such resolution is available at the municipality's head and satellite offices and libraries for public inspection during office hours and also on the municipality's website.

17. Payment of rates

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

(a) on a monthly basis; or

(b) annually and by agreement with the ratepayer concerned, before 30 September each year.

17.2 The municipal manager shall determine the due date for the payment of monthly instalments and the single annual payment referred to in subparagraph 16.1 and this date shall appear on the accounts for assessed rates forwarded to the owner of the property or his duly authorised representative.

17.3 Unless the Council, by resolution, exempts all ratepayers from the payment of interest in terms of section 64 (2) (g) of the Municipal Finance Management Act, interest on arrear rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the prescribed rate which shall be applied from time to time.

17.4 If a property owner responsible for the payment of rates fails to pay such rates by due date, they will be recovered from him in accordance with the provisions of the Credit Control and Debt Collection Policy of the Council.

17.5 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: -

17.5.1 If an amount due for rates levied on a property is not paid by the owner by the due date reflected on his account and no response is forthcoming from him after two written reminders to effect payment have been sent to him, the municipality shall recover the amount due in full or partially as follows: -

(a) from the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;

(b) from a tenant or occupier of the property but only after an attempt was made to collect the amount concerned from the agent referred to in subparagraph (a) and such attempt was unsuccessful or if no such agent exists or if only a part of the outstanding amount could successfully be recovered from the agent concerned.

17.5.2 The amount recoverable is limited to the amount stipulated in the Act and such amount may only be recovered after written notice has been served on the tenant,

occupier or agent as the case may be, of the rates due and payable, but not yet paid by owner of the property.

17.5.3 The notice referred to in subparagraph 16.5.2 shall afford the party concerned at least 14 calendar days in which to pay the outstanding rates.

17.6 Rates levied on property in sectional title schemes, shall be payable by the owner of each unit.

17.7 Rates levied on property in sectional title schemes, where the Body Corporate is the owner of any specific sectional title unit, shall be payable by the Body Corporate.

18. Accounts to be furnished

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

(a) the description of the property including its erf or farm number and physical address where known and provided that the insertion of this information on an account is feasible in terms of the billing system of the municipality;

(b) the amount due for rates payable;

(c) the date on or before which the amount due is payable;

(d) how the amount due was calculated;

(e) the market value of the property;

(f) if the property is subject to any compulsory phasing-in discount, the amount of such discount; and

(g) if the property is subject to any additional rate in terms of section 22 of the Act, the amount due for additional rates.

19. Liability for and recovery of rates

19.1 The owner of a property shall be liable for the payment of the rates levied on his property.

19.2 Joint owners of a property shall be jointly and severally liable for payment of the rates levied on their property.

19.3 A person liable for payment of rates remains liable for such payment, whether or not he has received a written account from the municipality. If the person concerned has not received a written account, he must make the necessary enquiries at the municipality.

19.4 In the case of joint ownership, the municipality shall, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that such action shall take place with the prior consent of all the owners concerned.

19.5 In the case where an agricultural property is owned by more than one owner in undivided shares and these undivided shares were allowed before the commencement date of the Subdivision of Agricultural Land Act No. 70 of 1970, the municipality shall hold any joint owner liable for all rates levied in respect of the agricultural property concerned or hold any joint owner only liable for that portion of rates levied on the property that represents his undivided share therein.

19.6 In the event of a property being transferred to a new owner during the period when an interim valuation takes place, the immediate predecessor in title as well as the new owner of the property concerned will be jointly and severally responsible for paying any rates raised as a result of such interim valuation.

19.7 Properties which vest in the municipality in terms of the conditions of establishment of a township or the conditions of approval applicable to the subdivision of land comprising a private development, including open spaces and roads, will be rateable and the developer shall be responsible for the payment of assessed rates thereon until such properties are transferred to the municipality.

20. General valuation of rateable property

20.1 The first valuation roll prepared in terms of the Act, shall take effect from the start of the financial year following completion of the prescribed public inspection period.

20.2 The municipality shall prepare a new valuation roll every 4 (four) years but may, with the approval of the MEC for local government, extend the validity of the valuation roll to 5 (five) years.

20.3 Supplementary valuations will be undertaken on an annual basis to ensure that the valuation roll is properly maintained.

21. Correction of errors and omissions

21.1 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 because of incorrect, false or misleading information provided by the property owner concerned or because of a contravention of the permitted use to which such property may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission was first detected back to the date on which rates were first raised in terms of the current valuation roll.

21.2 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 prescribed rate.

22. Cost of exemptions, rebates, reductions and phasing-in discounts of rates

22.1 The municipal manager must annually table in the Council:

(a) a list of all exemptions, rebates and reductions granted by the Council in terms of this policy and/or the Act during the previous financial year; and

(b) a statement reflecting the income for the municipality foregone during the previous financial year by way of-

(i) such exemptions, rebates and reductions;

(ii) exclusions as referred to in section 17(1)(a), (e), (g), (h) and (i) of the Act; and

(iii) the phasing-in discount granted in terms of this policy and/or the Act.

22.2 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's annual budget for that year as-

(a) income on the revenue side; and

(b) expenditure on the expenditure side.

23. Budget related policy

23.1 This policy constitutes a budget-related policy as defined in the Municipal Finance Management Act.

23.2 The Council must annually, after following a community consultation process as part of the Council's annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act, review, and if necessary, amend this policy.

23.3 Any amendments to this policy must accompany the municipality's annual budget when it is tabled in the Council in terms of section 16 (2) of the Municipal Finance Management Act.

24. By-laws to give effect to this rates policy

The Council shall adopt by-laws to give effect to the implementation of this 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.

25. POLICY GOVERNANCE

Policy Title	***PROPERTY RATES POLICY***	
Policy Version		
Role & Process	**Responsible Individual Name and/or Date**	**Responsibility Accepted Signature**
Senior Manager Corporate Services		
Policy Custodian		
Policy Author		
LLF Consultation Date		
LLF Consultation Reference		
Council Approval Date		
Council Approval Reference		
(UNIT) eg. Manager Human Resources		
Policy Approved		
Policy Inception Date		
Review Start Date		
Review Completion Date		
Legislative References		
Policy Review "Triggers"		
Comments		