

<b>BUDGET AND TREASURY DEPARTMENT</b>	Doc Nr	
<b>MUNICIPAL PROPERTY RATES POLICY</b>	Version	
	Issue Date	
	Next Review Date	



## MUNICIPAL PROPERTY RATES POLICY

### Signatories

The signatories hereof, confirm acceptance of the contents, recommendation, and adoption hereof.

<b>TITLE</b>	<b>MUNICIPAL PROPERTY RATES POLICY</b>		
<b>APPROVED DATE</b>		<b>PAGES</b>	23
<b>EFFECTIVE DATE</b>		<b>REVIEW DATE</b>	
<b>ROLE</b>	<b>DESIGNATION</b>	<b>OFFICIAL/MEMBER</b>	<b>SIGNATURES</b>
<b>INITIATED BY</b>	Chief Financial Officer	AC. Mufamadi	
<b>RECOMMENDED BY</b>	Municipal Manager	MT. Makumule	
<b>APPROVED BY</b>	Council		
<b>CUSTODIAN OF THE POLICY</b>	Chief Financial Officer	AC. Mufamadi	

DOCUMENT CONTROL PAGE				
<b>Document title</b>	MUNICIPAL PROPERTY RATES POLICY			
<b>Creation date</b>	MAY 2025			
<b>Effective date</b>				
<b>Status</b>	Draft		Final	
<b>Version</b>	01			
<b>Author title, name and contact details</b>	Chief Financial Officer Email - <a href="mailto:MufamadiAC@thulamela.gov.za">MufamadiAC@thulamela.gov.za</a> Telephone – 015 962 7515			
<b>Owner title, name and contact details</b>	Chief Financial Officer Email - <a href="mailto:MufamadiAC@thulamela.gov.za">MufamadiAC@thulamela.gov.za</a> Telephone – 015 962 7515			
<b>Distribution</b>	<ul style="list-style-type: none"> <li>• Council</li> <li>• Accounting Authority and Committees</li> <li>• Municipal Officials</li> <li>• Relevant Stakeholders</li> </ul>			
<b>Classification</b>	Restricted	N/A	Confidential	N/A
<b>Revision</b>	<b>Version Number</b>	<b>Revision Date</b>	<b>Revision Details</b>	<b>Revised by</b>
<b>Review History</b>				

## INDEX

1.	DEFINITIONS AND ACRONYMS.....	4
2.	POLICY STATEMENT.....	7
3.	PREAMBLE.....	7
4.	PURPOSE.....	8
5.	OBJECTIVES.....	8
6.	SCOPE.....	9
7.	GUIDING PRINCIPLES.....	9
8.	CATEGORIES.....	11
9.	APPLICABLE CHARGES.....	13
10.	AUTHORITY TO RECOVER ADDITIONAL COSTS AND FEES .....	18
11.	PAYMENT.....	18
12.	ACCOUNTS.....	19
13.	ARREARS.....	20
14.	IMPLEMENTATION: ROLES AND RESPONSIBILITIES.....	21
15.	CONFLICT OF LAW.....	22
16.	AVAILABILITY OF THIS POLICY.....	22
17.	LEGISLATIVE AND REGULATORY FRAMEWORK .....	22
18.	STAKEHOLDER ENGAGEMENT.....	23
19.	MONITORING AND EVALUATION .....	23
20.	CONCLUSION .....	23
21.	REVISION DATE.....	23
22.	ANNEXURES.....	23

# 1. DEFINITIONS AND ACRONYMS

## 1.1 Statutory and Regulatory

#	TERM	DESCRIPTION
1.1.1	Account	means any account rendered for municipal rates and other services provided by the Municipal Council;
1.1.2	Act	means the Local Government: Municipal Property Rates Act, 2004 (Act NO.6 of 2004), as amended from time to time;
1.1.3	Applicable charges	means the rate, charge, tariff, flat rate or subsidy determined by the Municipal
1.1.4	Base Interest Rate	means prime rate
1.1.5	Category of properties	means a category of properties determined according to the use of the property, permitted use of the property, or the geographical area in which the property is situated;
1.1.5	Category of owners	means a category of owners that may include indigent owners, owners dependent on pensions or social grants for their livelihood, owners temporarily without income, owners of property situated in an area affected by disaster, owners with property where the market value is below a certain value determined by the municipal and owners of agricultural property who are bona fide farmers;
1.1.6	Commercial customer	means any customer other than household and indigent customers, including without limitation, business, government and institutional customers;
1.1.7	Customer	means a person who owns property within the area of jurisdiction of the Municipal Council
1.1.8	Defaulter	means a customer who owes the Municipal Council in respect of rates and
1.1.9	Exemption	in relation to the payment of rates, means an exemption from the payment of rates, granted by the Municipal Council;
1.1.20	Interest	means a levy equal to service levies and is calculated at a rate determined by the Municipal Council on all service levies in arrears;
1.1.21	Indigent Customer	means a household customer qualifying and registered with the Municipal Council as an indigent in accordance with the Indigent Policy of the Municipal Council;
1.1.22	Household customer	means a customer that occupies a dwelling, structure or property primarily for residential purposes;
1.1.23	Household	means a traditional family unit consisting of a maximum of 08 (eight) persons (being a combination of four persons over the age of eighteen and four persons eighteen years or younger);
1.1.24	Land reform beneficiary	in relation to a property, means a person who acquired the property through the Provision of Land and Assistance Act, 1993 (Act NO.126 of 1993); or the Restitution of Land Rights Act, 1994 Act No. 22 of 1994); and a person who holds the property subject to the Communal Property Associations Act, 1996 (Act No.

#	TERM	DESCRIPTION
		28 of 1996); or a person who holds or acquires property in terms of such other land tenure reform legislation as may, pursuant to section 25(6) and (7) of the Constitution, be enacted after the Act has taken effect;
1.1.25	Market value	in relation to a property, means the amount a property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer
1.1.26	Municipality	means the Thulamela Local Municipality or its successors-in-title;
1.1.26	Municipal Council	means the municipal council as Referred to in section 157(1) of the Constitution, 1996 (Act No. 108 of 1 996)
1.1.27	Municipal Manager	means a person appointed by the Municipal Council as the municipal manager of the municipality in terms of section 82 of the Local Government Municipal Structures Act, 1998 (Act No. 1 17 of 1998) and includes any person acting in such position; and to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
1.1.28	Multiple purposes	in relation to a property, means the use of a property for more than one purpose;
1.1.29	Occupier	means any person in actual occupation of the land or premises without regard to the title under which he/she occupies, and, in the case of premises subdivided and let to lodgers or various tenants, shall include the person receiving the rent payable by lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein;
1.1.30	Owner	<ol style="list-style-type: none"> <li>1. the person who from time to time is vested with the legal title to the premises;</li> <li>2. in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;</li> <li>3. in any case where the Municipal Council is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;</li> <li>4. in the case of premises for which a lease agreement of 30 (thirty) years or longer has been entered into, the lessee thereof;</li> <li>5. in relation to -a piece of land delineated on sectional plan registered in terms of the Sectional Titles Act, 1996 (Act No. 95 of 1996), the developer or the body corporate in respect of the common property, or</li> <li>6. a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title</li> </ol>

#	TERM	DESCRIPTION
		<p>deed and includes the lawfully appointed agent of such a person, or</p> <p>7. a person occupying land under a register held by a tribal authority;</p> <p>8. any legal person including but not limited</p> <p>9. a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), Trust inter vivos, Trust mortis causa, a Close Corporation registered in terms of the Close Corporation Act, 1984 (Act No.69 of 1984), or a Voluntary Association;</p> <p>10. any Department of State;</p> <p>11. any Councilor Board established in terms of any legislation applicable to the Republic of South Africa;</p> <p>12. any Embassy or other foreign entity.</p>
1.1.31	Newly rateables property	means any rateables property on which property rates were not levied before the end of the financial year preceding the date on which the Property Rates Act took effect, excluding:- a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date and a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified
1.1.32	Permitted use	in relation to a property, means the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of a town planning or land use scheme, any legislation applicable to any specific property or properties or any alleviation of any such restrictions;
1.1.34	Person	means any natural person, local government body or like authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary associations or trust;
1.1.35	Ratable property	means property on which a Municipal Council may levy a rate, excluding property fully exempted from the levying of rates;
1.1.36	Rebate	in relation to a rate payable on a property, means a discount granted on the amount of the payable rate on the property;
1.1.37	Reduction	in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.

## 1.2 ACRONYMS

#	TERM	DESCRIPTION
1.2.1	MPRA	Local Government Municipal Property Rates Act No. 6 of 2004
1.2.2	MFMA	Local Government Finance Management Act 56 of 2003
1.2.7	MSA	Local Government Municipal Systems Act, No.32 of 2000

## **2. POLICY STATEMENT**

- 2.1 The Municipality has the power to levy a rate on property in its area of jurisdiction. Section 3 (1) of the MPRA and Section 62 (1) (f) of the MFMA requires the Municipality to develop and adopt a rate policy consistent with the said Act on levying of rates on rateable properties.
- 2.2 Section 3 of the Act provides that the Rates Policy takes effect on the effective date of the valuation roll prepared by the Municipality In terms of this Act. This document must be read with the MPRA. In applying this policy, the Municipality will be able to meet the requirements of the MPRA and the MFMA which will result in ensuring financial stability of the municipality and revenue generation for the municipality

## **3. PREAMBLE**

- 3.1 The Constitution of the Republic of South Africa 1996 empowers the Council to impose rates on property. According to section 229 (1) of the Constitution, municipalities have the authority to levy rates on property and surcharges on fees. This power is further governed and supported by MPRA. According to section 75(a) the municipality has the authority to levy fees, charges and tariffs. For their financial sustainability and the act further allows municipality to impose surcharges on fees or property rates to generate additional revenue.
- 3.2 Section 96(a) of the MSA, obliges the Municipality to collect all money that is due and payable to it, subject to the provisions of that Act and any applicable legislation, including the MPRA
- 3.3 The MPRA makes it compulsory for municipalities to adopt a policy consistent with it on levying of rates on rateable properties within the Municipal Council's area of jurisdiction.
- 3.4 In terms of section 62(1)(f)(ii) of the MFMA, the Municipal Manager appointed in terms of section 82 of the MSA, must, in his capacity as the Council's Accounting Officer, ensure that the Council has and implements a rates policy.
- 3.5 In accordance with Section 3(1) of the MPRA, the council has to adopt a policy levying of rates on rateables property in the municipality:

- 3.5.1 Must, in terms of Section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its rates policy;
- 3.5.2 Must be considered by the Council in conjunction with its annual operating budget;
- 3.5.3 May, in terms of Section 22 of the MPRA, determine an area within the municipality as a special rating area, levy an additional rate on property in a special rating area and, in doing so, may differentiate between categories of property;
- 3.6 This policy is drafted in compliance with the provisions of sections 3(1) and 6(1) of the MPRA and must be read within the context of the MPRA.
- 3.7 Rates are levied in accordance with the Act as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in Chapters 6 and 8, respectively, of the MPRA.

#### **4. PURPOSE**

- 4.1 The Municipal council shall, as part of its annual operating budget, impose a cent amount in the Rand on the market value of all ratable immovable property recorded in the valuation roll and supplementary valuation roll/s of the Municipality. Ratable property shall include all land and buildings, right of way, easements and servitudes and shall exclude any bonds registered against the property.
- 4.2 Poverty alleviation and the burden of rates on the poor must be the primary consideration of the Municipal Council with the determination of the rate tariff. The Municipal Council should consider the cost and maintenance of the services it is rendering to the community, as well as services that do not generate any income from the Municipal Council.

#### **5. OBJECTIVES**

The objectives of this policy are to:

- 5.1 Ensure that all owners of ratable property are informed about their liability for rates;



- 5.2 Ensure certainty and clarity as to the amounts payable in respect of the Property rates towards its community in terms of service delivery;
- 5.3 Contribute towards accountability of the Municipal Council;
- 5.4 Contribute towards financial sustainability of the Municipal Council;
- 5.5 Provide for overdue interest on rates;
- 5.6 Ensure that all persons liable for rates are treated equitably as required by the Act;
- 5.7 To ensure certainty and clarity as to amounts payable in respect of property rates;
- 5.8 To ensure the promotion of efficient, economic and effective use of resources;
- 5.9 To promote development and endeavour to attract investment for job creation;
- 5.10 To spread the rates burden impartially, fairly, equitably and without bias;
- 5.11 To create an opportunity for public participation in policy making;
- 5.12 To contribute towards the accountability of the municipality;
- 5.13 To contribute towards the transparency of the municipality;
- 5.14 To contribute towards the financial sustainability of the municipality;

## **6. SCOPE**

- 6.1 This policy is implemented by the municipality and is imposed and applicable to various property owners in accordance with types or categories of properties as alluded in the Property Rates Act, ranging from residential, commercial, industrial, agricultural properties and others.

## **7. GUIDING PRINCIPLES**

- 7.1 The MPRA requires municipality to determine the market value of the properties determined in accordance with section 46 of the MPRA.
- 7.2 Municipality must prepare and maintain the valuation rolls which contains specific details of the property including the market value.

- 7.3 Municipality must give public notice of the valuation roll and allow the property owners to reject valuations of their property.
- 7.4 Municipality must ensure that their valuation method is fair and equitable, taking into account the specify characteristics of the property e.g. extent, location, property type etc
- 7.5 The municipality must engage with the local community regarding the review of the property rates policy.
- 7.6 Property owners have the right to appeal the municipality's decision on their objection
- 7.7 Rates are levied in accordance with the MPRA as an amount in the rand based on the market value of all ratable property contained in the municipality's valuation roll and supplementary valuation roll.
- 7.8 As allowed for in the MPRA, the municipality must differentiate various categories of properties and categories of owners of this property. Some categories of property and categories of owners are granted relief from rates. The municipality, however, may not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 7.9 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 7.10 The rates policy for the municipality is based on the following principles:
- 7.4.1 **An autonomous tax** – the determination and levying of the tax will be in the discretion of the Council of the municipality;
  - 7.4.2 **A productive tax** – an appropriate difference between the income and the cost of the tax;
  - 7.4.3 **An as broad as possible tax base** – the base is the valuation roll, with as little as possible tax avoidance and evasion;
- 7.11 Further to the abovementioned principles, the Council will also take into account the following:

- 7.11.1 **Equity:** The municipality will treat all ratepayers with similar properties in the same manner the same;
- 7.11.2 **Affordability:** The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief through exemptions, reductions or rebates;
- 7.11.3 **Sustainability:** Rating of property will be implemented in a way that supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
- 7.11.4 **Cost efficiency:** Rates will be based on the value of all rateable property and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

## **8. CATEGORIES**

### **8.1 RATEABLE PROPERTIES**

- 8.1.1 In terms of Section 8 subject to section 19 of the MPRA, the municipality will levy different rates for the different categories of rateable properties as set out below. The categories include the following:
- 8.1.1.1 Residential properties;
  - 8.1.1.2 Industrial properties;
  - 8.1.1.3 Business and commercial properties;
  - 8.1.1.4 Agricultural properties;
  - 8.1.1.5 Mining properties;
  - 8.1.1.6 Properties owned by an organ of state and used for public service purposes;
  - 8.1.1.7 Public service infrastructure properties;

8.1.1.8 Properties owned by public benefit organisations and used for specified public benefit activities;

8.1.1.9 Properties used for multiple purposes, subject to section 9: or;

8.1.1.10 Any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by Notice in the Gazette.

## 8.2 PROPERTIES USED FOR MULTIPLE PURPOSES

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

8.2.1 In accordance with the "permitted use of the property".

8.2.2 In accordance with the "dominant use of the property" if (8.2.1) cannot be applied; Or

8.2.3 In accordance with the "different uses" by apportioning the market value of a category of property to the to the difference purpose for the difference purposes for which the property is used if both (8.2.1) and (8.2.2) above cannot be applied.

## 8.3 OWNERS

8.3.1 Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the criteria, in addition to what has been laid out in the definitions section, may include (which list is not exhaustive):

8.3.1.1 Owner/s of a residential property with a source of income within a determined threshold;

8.3.1.2 indigent status of the owner of a residential property in terms of the Municipality's indigent policy;

8.3.1.3 the age of the owner;

8.3.1.4 Owners' dependent on pensions or social grants for their livelihood;

8.3.1.5 Owners of property situated within an area affected by a disaster within the meaning of the Disaster Management Act, 2002 (Act No.57 of 2002); or serious adverse social or economic conditions unique to a certain or identified area.

8.3.1.6 Owners of residential properties with a market value below an amount determined by the Council. If the property has been assigned to a certain category which the municipality has specifically identified for purposes of exemptions, rebates or reductions;

8.3.1.7 Owners of agricultural land used predominantly for agricultural purposes;

8.3.1.8 Owners temporarily without an income.

## **9. APPLICABLE CHARGES**

### **APPLICABLE CHARGES FOR RATES:**

9.1 All applicable charges payable in respect of rates or any additional charges or interests will be set by the Municipal Council in accordance with:

9.1.1 its Tariff policy;

9.1.2 any Policy in respect thereof; and

9.1.3 any regulation in terms of national or provincial legislation

9.2 Applicable charges may differ between different categories of properties, customers, infrastructure requirements and geographic areas.

### **AVAILABLE CHARGES FOR RATES**

9.3 The Municipal Council may, in addition to the tariffs or charges prescribed for by Council, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where categories of properties are available.

### **EXEMPTIONS, REBATES AND REDUCTIONS ON RATES**

9.4 In terms of Section 15(1) of the MPRA, the Municipality may:

- 9.4.1 Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- 9.4.2 Grant 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 rates payable in respect of their properties.
- 9.4.3 Determine any possible exemptions, rebates or reductions as part of annually budget process.
- 9.4.4 Determine any possible exemptions, rebates or as part of the budget process of the Municipality.
- 9.5 In determining any exemptions, rebates or reductions the Council shall consider:
  - 9.5.1 The financial sustainability of the municipality and the cost of services to be provided from property rates income;
  - 9.5.2 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.
  - 9.5.3 Assessment rate rebate is granted to proper owners who are indigents and pensioners.
  - 9.5.4 Indigents will be granted a 100% rebate.
- 9.6 Pensioners will be granted based on the following conditions:
  - 9.6.1 Pensioners must be 60 years of age or older and personally own the property.
  - 9.6.2 The property value must not exceed R3 500 000.
  - 9.6.3 Pensioners dependent on a National Security Grant qualifies for a 100% rebate on successful applications.
  - 9.6.4 Pensioners who are not on a National Social Security Grant, but whose gross monthly income falls between the indigent threshold amount and income less than R10 000 qualify for a 75% rebate on successful application.

- 9.6.5 Pensioners who are not on a National Security Grant, but whose gross qualify monthly for a 50% rebate is on above successful R10 000 application but less than R20 000 qualify for a 50% rebate on successful application.
- 9.6.6 In case of dual ownership, at least one of the owners must be 60 years of age or older and the spouse should be earning less than the indigent threshold.
- 9.6.7 The rebate is applicable for only one property should the applicant own more than one property.
- 9.6.8 Properties owned and used as primary places of public worship by religious communities
- 9.6.9 Municipal properties fully exempted.
- 9.6.10 Certain residential properties with low market value (low value residential properties)
- 9.6.11 property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years (10) from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 9.6.12 Owners of property affected by disaster as per the Disaster Management Act.
- 9.7 The application must include copies of the following items:
  - 9.7.1 Proof of Age: Applicants certified copy of identity document.
  - 9.7.2 Proof of income: Original or certified Proof of income,
  - 9.7.3 Pension fund name, pension fund number and other income.
- 9.8 It will be renewable on annual basis
- 9.9 Valid from the month of application
- 9.10 The municipal manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget component and in the annual financial statements and annual report, and that such rebates are also indicated on the rates accounts submitted to each property owner.

- 9.11 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's budget for that year as:
- 9.11.1 Income on the revenue side; and
  - 9.11.2 Expenditure on the expenditure side.
- 9.12 In terms of Section 17 of the MPRA, the Municipality shall further grant the following exemptions from rates:
- 9.12.1 The first R90 000 of the market value of residential properties. For Multiple-use property, the first R90,000 will be applicable for the residential-use property only. The other uses in the same property will be rated as per the relevant categories.
  - 9.12.2 The first 30% of the market value of public service infrastructure where public service infrastructure refers to infrastructure such as public roads, railway lines, Telkom and similar communication networks, electricity networks and water infrastructure.
  - 9.12.3 Protected areas, where these areas refer to nature reserves, botanical gardens or national parks provided that the specific area/s is declared as a "Protected area" in the Register or Protected Area to be compiled and updated by the Department of Environmental Affairs and Tourism. 100% of declared protected area.
  - 9.12.4 Mineral rights, where mineral rights refer to structures under the surfaces of the earth related to mineral extraction.
  - 9.12.5 Property belonging to a land reform beneficiary or his or her 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.
  - 9.12.6 Properties registered in the name of and primarily used for religious purposes, including the official residence occupied by the officiating office bearer. The exclusion from rates shall lapse if the property:
    - 9.12.6.1 is disposed of by the religious community owning it;



9.12.6.2 is no longer used primarily as a place of worship by a religious community;

9.12.7 Referring to the official residence is no longer used as an official residence.

9.12.8 When the exclusion from rates of the property used as an official residence lapses, the religious community owning the property becomes liable for the rates that would have been payable on the property during the period of one year preceding the date on which the exclusion lapses. The amount for which the religious community shall then become liable for shall be regarded as rates in arrear and the applicable interest shall be levied and shall be payable to the municipality.

9.13 Commercial properties will not qualify for exemptions.

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

9.15 30% of the market value of residential property shall be granted as a rebate.

#### PHASING IN OF RATES

9.16 There will not be any phasing in or rates on the newly rateable property as the compulsory phasing-in of certain rates period has lapsed.

#### SPECIAL RATING AREAS

9.17 The municipality may from time to time, as provided for in Section 22 (1) to (3) (d) of the MPRA and as to be depicted in its annual budget and by resolution of the Council, determine a certain area within the boundaries of the municipality, as a special rating area.

9.18 Before determining a special rating area, the municipality shall:

9.18.1 consult the community on the proposed boundaries of the area;

9.18.2 inform the community regarding the proposed improvement or upgrading to be affected in the area; and

9.18.2.1 obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

9.20 An additional rate, as will be depicted in the annual budget, shall be levied on the properties in the identified area, for the purpose of raising funds for improving or upgrading of the specified area.

9.21 The municipality may differentiate between categories of properties when levying the additional special rate.

9.22 The municipality shall establish separate accounting and other record-keeping systems for the identified area.

9.23 The municipality shall establish a committee, composed by representatives from the specific area, to act as a consultative and advisory forum. This committee shall be a sub-committee of the ward committee/s in the area. Gender retrospectivity shall be taken into consideration with the establishment of the committee.

## **10. AUTHORITY TO RECOVER ADDITIONAL COSTS AND FEES**

10.1 The municipality has the authority to, notwithstanding the provisions of any other clause/ section contained in the policy, recover any additional cost incurred in respect of implementing this policy against the account of the customer, including, but not limited to:

10.1.1 all legal costs, including Attorney and own client costs incurred in the recovery of amounts in arrears shall be against the arrears account of the customer, and/or

10.1.2 the average cost incurred relating to any action taken in demanding payments from the customer or reminding the customer, by means of telephone, fax, email, letter or otherwise.

## **11. PAYMENT**

### **LIABILITY FOR AND RECOVERY OF RATES:**

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

- 11.2 Joint owners of a property shall be jointly and severally liable for the payment of the rates levied on the property.
- 11.3 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, 1970, Act No. 70 of 1970, the municipality shall hold any joint owners liable for all rates levied in respect of the agricultural property concerned or hold any joint owners only liable for that portion of rates levied on the property that represents that joint owner's undivided share in the property.
- 11.4 Rates levied on property in sectional title schemes, shall be payable by the owner of each unit.
- 11.5 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.

#### METHOD OF DETERMINING AMOUNTS DUE AND PAYABLE

- 11.6 The municipality Council must in respect of municipal rates prepare a new valuation roll every 5 years and supplementary valuation rolls at least once in a year.
- 11.7 The first valuation roll prepared in terms of the Property Rates Act, Act 6 of- 2004, shall take effect from the start of the financial year following completion of the public inspection period.

#### FULL AND FINAL SETTLEMENT OF AN ACCOUNT

- 11.8 Where an account is not settled in full, any lesser amount tendered to and accepted shall not be deemed to be in full and final settlement of such an account.
- 11.9 Sub-clause 11.8 shall prevail, notwithstanding the fact that such lesser payment was tendered and/ or accepted in full and final settlement, unless the Municipal Manager or the delegated official made such acceptance in writing.

### **12. ACCOUNTS**

- 12.1 Accounts will be tendered monthly to customers at the address last recorded with the municipality. The customer may receive more than one account for different properties owned by that customer if they are located in separate areas.

- 12.2 Failure to receive or accept an account does not relive a customer of the obligation to pay any amount due and payable.
- 12.3 The Municipality shall, if administratively possible, issue a duplicate account to a customer on request.
- 12.4 Accounts must be paid not later than the last date for payment specified in such account, which date will be at least 21 (twenty-one) days after the date of the account.

#### CONSOLIDATED DEBTS

- 12.5 If one account is rendered for more than one property provided the amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order:
- 12.5.1 towards payment of interests.
  - 12.5.2 towards payment of the arrears and
  - 12.5.3 towards payment of the current account;
- 12.6 If an account is rendered for only one property any payment made by a customer of an amount less than the total amount due, will be allocated in the following order:
- 12.6.1 towards payment of interests.
  - 12.6.2 towards payment of the arrears and
  - 12.6.3 towards payment of the current account.
- 12.7 A customer may not elect how an account is to be settled if it is not settled in full or if there are arrears.

### **13. ARREARS**

Arrears will be dealt with in accordance with the Council Approved Credit Control and Debt Collection Policy.

## CLAIM ON RENTAL FOR RATES IN ARREARS

- 13.1 The municipality may apply to the court for the attachment of any rent, due in respect of ratable property, to cover in part or full any amount outstanding in respect of property rates for a period longer than three months after the fixed date.

## **14. IMPLEMENTATION: ROLES AND RESPONSIBILITIES**

- 14.1 This policy shall be implemented by those officials whose duties relate to the rendering of accounts and collection of money payable to the Municipal Council in respect of rates, and who have contracts with members of the public in relation to payment to the Municipal Council for rates (hereinafter referred to as the "Officials").
- 14.2 All the respective departments within the municipality must ensure adequate implementation of this policy. The CFO is responsible for enforcing this policy and continuously ensuring monitoring and compliance and ensure that the corrective steps are taken where necessary.
- 14.3 The Municipal Council shall, as part of its annual operating budget, impose a cent amount in the Rand on the market value of all ratable immovable property recorded in the valuation roll and supplementary valuation roll/(s) of the Municipality.
- 14.4 Ratable property shall include all land and buildings, right of way, easements and servitudes and shall exclude any bonds registered against the property.

### **COUNCIL**

- 14.5 Approval of the policy

### **MUNICIPAL MANAGER**

- 14.6 Ensure adoption and implementation of the policy

### **RATEPAYERS**

- 14.7 Public Participation with regards to policy

## **15 CONFLICT OF LAW**

15.1 When interpreting a provision of this policy, any reasonable interpretation which is Consistent with the purpose of the Act, the interpretation of the Act must be preferred over any alternative interpretation which is inconsistent with the purpose.

15.2 If there is any conflict between this policy and any other policies of the Municipal Council, this policy will prevail.

## **16 AVAILABILITY OF THIS POLICY**

16.1 A copy of this policy shall be included in the municipality's Municipal Code as required in terms of legislation.

16.2 The municipality should take reasonable steps to inform customers of the contents of the Credit control policy.

16.3 A copy of this policy shall be available for inspection at the municipal offices at all reasonable times.

16.4 A copy of this policy may be obtained from the official website of the municipality.

## **17 LEGISLATIVE AND REGULATORY FRAMEWORK**

The following legislation are implemented

17.1 Constitution of the Republic of South Africa

17.2 Municipal Property rates Act, no. 6 of 2004

17.3 Municipals Systems Act

17.4 Municipal Structures Act No 117 of 1998

17.5 Municipal Finance Management Act No. 56 Of 2003

17.6 Income Tax Act 58 of 1962 for tax exempted properties

17.7 National Environmental Act No.28 of 2003

17.8 Mineral and Petroleum Resource Development Act No 28 of 2002

17.9 Property Time Sharing Control Act 59 of 1980- impacts on time sharing interests

## **18 STAKEHOLDER ENGAGEMENT**

18.1 All the relevant stakeholders internal and external will be consulted through the development and implementation of this policy

## **19 MONITORING AND EVALUATION**

19.1 On a continuous basis this policy will be accessed to determine its relevance and effectiveness and to assess whether it has achieved the intended objectives.

## **20 CONCLUSION**

20.1 In conclusion, the Property Rates policy outlines critical matters raised in the purpose and the objectives. The provisions in the policy contents highlights the need for municipality to adhere to the key issues narrated which will address challenges encountered and lead to effective and efficient implementation of the policy.

20.2 The municipality commits to make resources available, monitor and evaluate the effectiveness of the policy, thus encouraging all relevant stakeholders to familiarise themselves with the policy and take necessary actions to fully participate and ensure compliance of the policy.

20.3 On that note, stakeholders are urged to provide feedback on implementation of the policy to enable the municipality to review and make adjustments where necessary.

## **21 REVISION DATE**

21.1 The policy will be reviewed after annually or as and when the need arises.

## **22 ANNEXURES**

22.1 Business Process map

22.2 Standard operating procedure