



MUNICIPAL PROPERTY RATES POLICY

2012/2013-

PROPERTY RATES POLICY

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PROPERTY RATES POLICY

PART 1: PREAMBLE AND LEGISLATIVE CONTEXT

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

- 1.7 The policy of the Molemole Local municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Municipal Property Rates Act (MPRA) and Municipal Finance Management Act (MFMA) including any regulations promulgated in terms of these Acts.
- 1.8 As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within the Molemole Local Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in Section 15 of the MPRA and includes:
- Cemeteries
 - Sport grounds for exercising amateur sport
 - Properties owned by welfare organizations
- 1.9 The Rates Policy sets out the broad policy framework within which the municipality rates its area as per Section 3 of the MPRA, and gets annually reviewed and, when necessary, amends the municipality's rates of assessment as per Section 5 of the MPRA.

<p><u>PART 2: DEFINITIONS</u></p>
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In this policy, unless the context indicates otherwise, in addition to the definitions contained in both the MPRA and the MFMA, the following meanings are assumed:

- “Act”** means the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004);
- “Agent”** in relation to the owner of a property, means a person appointed by the owner of the property-
- a. to receive rental or other payments in respect of the property on behalf of the owner; or
 - b. to make payments in respect of the property on behalf of the owner;
- “Agricultural purpose”** in relation to the use of a property, excludes the use of a property solely for the purpose of

	eco-tourism or for the trading in or hunting of game;
“Annually”	means once every financial year;
“Appeal board”	means a valuation appeal board established in terms of Act 6/2004;
“Assistant municipal valuer”	means a person designated as an assistant municipal valuer in terms of Act 6 of 2004;
“Bona fide farmer”	means the registered owner of agricultural land which is predominantly used for agricultural purposes;
“Business”	means the activity of buying, selling or trading 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 mining, agriculture, farming, or inter alia, any other business relating to the of cultivation or use of soil, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms;
“Category”	In relation to property and owners means a category of properties and owners determined in terms of Act 6 of 2004;
“Data-collector”	means a person designated as a data-collector in terms of Act 6 of 2004;
“Date of valuation”	means the date determined by a municipality in terms of Act 6 of 2004;
“District management area”	means a part of a district municipality which in terms of <u>section 6</u> of the Municipal Structures Act has no local municipality and is governed by that municipality alone;
“district municipality”	means a municipality that has municipal executive and legislation authority in an area that includes more than one municipality, and which is described in <u>section 155 (1) of the Constitution</u> as a category C municipality;
“Effective date”	in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of <u>section 32(1)</u> ; or in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of <u>section 78(2) (b)</u> ;
“Exclusion”,	in relation to a municipality’s rating power, means a restriction of that power as provided for in <u>section 17</u> ;

“Exemption”	in relation to the payment of a rate, means an exemption granted by a municipality in terms of <u>section 15</u> ;
“Financial year”,	means the period starting from 1 July in a year to 30 June the next year.
“Government”	means owned and exclusively used by an organ of the state, excluding non-urban properties used for residential or agricultural purposes or not in use;
“Illegal use”	means any use that is inconsistent with or in contravention of the permitted use of the property;
“Improvement”	means any building or structure on or under a property, including: <ul style="list-style-type: none">• a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and• Buildings, structures and equipment or machinery referred to in Section 46(3) of the MPRA.
“Income Tax Act”	means the Income Tax Act, 1962 (<u>act No 58 of 1962</u>)
“Indigent”	mean debtors who are poor private residential households as defined by the municipality’s policy on Free Basic Services and Indigent Support.
“Industrial”	means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, Act 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.
“Land reform beneficiary”	in relation to a property, means a person who- <ol style="list-style-type: none">a. acquired the property through-<ol style="list-style-type: none">(i) the Provision of land and Assistance Act, 1993 (<u>Act no 126 of 1993</u>); or

- (ii) the Restitution of Land Rights Act, 1994 (Act No 22 of 1994);
 - b. holds the property subject to the Communal Property Associations Act, 1996 (Act no 28 of 1996); or
 - c. holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25 (6) and (7) of the Constitution be enacted after this Act has taken effect; means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004; in relation to a municipality-
- “Land tenure right”**
- a. means that body of persons comprising-
 - (i) the residents of the municipality; and / or
 - (ii) the ratepayers of the municipality; and /or
 - (iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and /or
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
 - b. includes, more specifically, the poor and other disadvantaged sections of such body of persons;
- “Local municipality”**
- means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a **Category B** municipality;
- “Mining”**
- means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation of activity incidental thereto;
- “Municipal”**
- means owned and exclusively used by the municipality;

“Multiple uses”	means a property that cannot be assigned to a single category due to the different uses of the property;
“Market value”	in relation to a property, means the value of the property determined in accordance with <u>section 46</u> ;
“MEC for local government”	means the member of the Executive Council of the Limpopo Province who is responsible for local government in that province;
“metropolitan municipality”	means a municipality that has exclusive executive and legislative authority in its area, and which is described in <u>section 155(1)</u> of <u>the Constitution</u> as a category A municipality;
“Minister”	means the Cabinet member of the Government of the Republic of South Africa responsible for local government; “multiple purposes”, in relation to a property, means the use of a property for more than one purpose;
“Municipal council” or “council”	means a municipal council referred to in <u>section 18</u> of the municipal Structures Act;
“Municipal Finance Management Act”	means the local Government: Municipal Finance Management Act, 2003 (<u>Act no 56 of 2003</u>);
“Municipality”	a) as a corporate entity, means a municipality described in <u>section 2</u> of the Municipal Systems Act; and b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (<u>Act No 27 of 1998</u>);
“Municipal manager”	means a person appointed in terms of <u>Section 82</u> of the Municipal Structures Act;
“Municipal Structures Act”	means the Local Government: Municipal Structures Act, 1998 (<u>Act no 117 Of 1998</u>);
“Municipal Systems Act”	means the Local Government: Municipal Systems Act, 2000 (<u>Act No 32 of 2000</u>);
“municipal valuer” or “valuer of a municipality”	means a person designated as a municipal valuer in terms of <u>section 33 (1)</u> ;
“Newly rateable property”	means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this policy 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;

“New private infrastructure developments”

means single properties divided (through subdivision or township establishment) into 10 or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost.

“Non-urban land”

means land which is not situated in an approved township and used for residential or agricultural purposes or not in use;

“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;

“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;

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 9(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 “public controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

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

- (ii) An executor or administrator, in the case of a property in a deceased estate;
- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A judicial manager, in the case of a property in the estate of a person under judicial management.
- (v) A curator, in the case of a property in the estate of a person under curator ship;
- (vi) A person in whose name a usufruct or other personal servitude;
- (vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it: or
- (viii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“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 organs of state, natural persons and legal persons (including but not limited to companies, trusts, close corporations and co-operatives);

“Prescribe” means prescribe by regulation in terms of section 83;

“Privately owned towns serviced by the owner” means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and road development are installed at the full cost of the developer and maintained and rendered by the residents of such estate;

“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;
- “Protected Areas Act”** means the National Environmental Management: Protected Areas Act, 2003;
- “publicly controlled”** means owned by or otherwise under the control of an organ or state including-
- a. a public entity listed in the Public Finance Management Act, 199 (Act no 1 of 1999);
 - b. a municipality; or
 - c. a municipal entity as defined in the Municipal Systems Act;
- “public service infrastructure”** means publicly controlled infrastructure of the following kinds:
- a. national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
 - b. water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water sewer scheme serving the public;
 - c. power stations, power substations or power lines forming part of an electricity scheme serving the public;
 - d. gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
 - e. railway lines forming part of a national railway system;
 - f. communication towers, masts, exchanges or lines forming part of a communication system serving the public;
 - g. runways or aprons at national or provincial airports;
 - h. breakwaters, sea walls, channels, basins, quay walls, jetties, roads,

- railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- i. any other publicly controlled infrastructure as may be prescribed; or rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);
- “Public benefit organization”** means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act for tax reductions because of those activities;
- “Protected area”** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003;
- “Public worship”** means a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship;
- “Rate”** means a municipal rate on property envisaged in section 229(1) (a) of the Constitution;
- “Rateable property”** means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;
- “Rebate”** in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Act on the amount of the rate payable on the property;
- “Reduction”** in relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
- “Register”-** means to record in a register in terms of-
- (i) The Deeds Registries Act, 1937 (Act no 47 on 1937); or
- (ii) The Mining Titles Registration Act, 1967 (Act no 16 of 1967); and
- includes any other formal act in terms of any other legislation to record-

- A right to use land for or in connection with mining purposes;
or
 - A land tenure right;
- “Residential”** means a suite of rooms which form a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and lodging undertaking, hostel and place of instruction.
- “Residential property”** means a property included in a valuation roll in terms of section 48 (2) (b) as residential;
- “Sectional Titles Act”** means the Sectional Titles Act, 1986 Act no 95 of 1986);
- “Sectional title scheme”** means a scheme defined in section 1 of the Sectional Titles Act’
- “Sectional titles 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;
- “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 which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No 22 of 1994);
- “Tax base”** means the values as reflected in the officially approved valuation roll of the municipality;
- “Urban land”** means land which is situated within a proclaimed township;
- “Zoning”** means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in an applicable town planning scheme and “zoned “ has a corresponding meaning;
- “Vacant land”** means
- Land where no immovable improvements have been erected; or

- The value added by the immovable improvements is less than 10% of the value of the land;
- Vacant land is categorized according to the permitted use of the property and is not regarded as a separate category of property.

All other terms are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004)

PART 3: POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality, however, does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 3.4 The rates policy for the municipality is based on the following principles:
- An autonomous tax – the determination and levying of the tax will be in the discretion of the Council of the municipality;
 - A productive tax – an appropriate difference between the income and the cost of the tax;
 - An as broad as possible tax base – the base is the valuation roll, with as little as possible tax avoidance and evasion;

- A tax, which takes ability-to-pay and benefits received into account in ensuring horizontal and vertical fairness;
- A progressive tax system;
- A tax, which attracts the correct activities to the municipality, ensuring a caring municipality, and discourages, unwanted activities;
- An impartial tax with exemptions, reductions and rebates where appropriate;
- An easy tax system that simplifies calculating, enquiries, payments and making arrangements;
- A simple tax, which ensures simple administration, easy compliance and low collection costs;

3.5 Further to the abovementioned principles, the Council will also take into account the following:

- a. **Equity:** The municipality will treat all ratepayers with similar properties in the same manner the same;
- b. **Affordability:** The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief through exemptions, reductions or rebates;
- c. **Sustainability:** Rating of property will be implemented in a way that:
 - (i) it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - (ii) supports local social economic development including commerce, industry and in particular agriculture.
- d. **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.

PART 4. OBJECTIVES AND SCOPE OF THE POLICY

4. Strategic Focus

4.1 Policy Objectives

- To ensure certainty and clarity as to amounts payable in respect of property rates;
- To ensure the promotion of efficient, economic and effective use of resources;
- To promote development and endeavour to attract investment for job creation;
- To spread the rates burden impartially, fairly, equitably and without bias;
- to create an opportunity for public participation in policy making;
- To contribute towards the accountability of the municipality;
- To contribute towards the transparency of the municipality;
- To contribute towards the financial sustainability of the municipality;

And

- To protect citizens against exploitation by the municipality.
- Sureness of the tax and the income from this source;
- A tax with which the citizens of the municipality can identify and which breeds high tax morality;
- A tax system and policy which is subject to community participation and social control.

4.2 Scope of the Policy

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates will be published in the Provincial Gazette and the Municipality's

schedule of tariffs, which must be read in conjunction with this policy.

4.2.1 Determining the rate on property, exemptions, rebates and reductions

The Council of the municipality has to annually consider:

- The impact of rates on the community;
- The impact of rates on businesses;
- The impact of rates on agriculture;
- The impact of rates on industry;
- The current economic climate;
- The Integrated Development Plan (IDP) of the municipality;
- The Town Development Strategy and Financial Plan of the municipality;

4.2.2 In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

- The Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- Revenues derived from property rates represent a critical source of income for Municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices;

And

- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor. In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act;

- it is essential to move forward to a non-discriminatory, non-racial, free and fair society which will promote economic growth and sustainable livelihoods for all.

PART 5: APPLICATION OF THE POLICY AND IMPOSITION OF RATES

The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include any rights registered against such property, with the exception of a mortgage bond.

The council shall, in imposing the rate for each financial year, take proper cognizance of 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.

PART 6: CLASSIFICATION OF SERVICES AND EXPENDITURE.

6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and Executive Mayor or Committee of the municipality, make provision for the following classification of services:-

- a. Trading services
 - i. Water
 - ii. Electricity
- b. Economic services
 - i. Refuse removal
 - ii. Sewerage disposal
- c. Community services (where applicable)
 - i. Air pollution;

- ii. Fire fighting services;
- iii. Local tourism;
- iv. Municipal planning;
- v. Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law;
- vi. Storm water management system in built-up areas;
- vii. Trading regulations;
- viii. Fixed billboards and the display of advertisements in public places;
- ix. Cemeteries;
- x. Control of public nuisances;
- xi. Control of undertakings that sell liquor to the public;
- xii. Township development;
- xiii. Facilities for accommodation, care and burial of animals;
- xiv. Fencing and fences;
- xv. Licensing of dogs;
- xvi. Licensing and control of undertakings that sell food to the public;
- xvii. Local amenities;
- xviii. Local sport facilities;
- xix. Municipal parks and recreation;
- xx. Municipal roads;
- xxi. Noise pollution;
- xxii. Pounds;
- xxiii. Public places;
- xxiv. Street trading/street lighting;
- xxv. Traffic and parking;
- xxvi. Building control;
- xxvii. Licensing of motor vehicles and transport permits;
- xxviii. Nature reserves;
- xxix. Forestry;

d. Subsidized services

- i. Health and ambulance;
- ii. Libraries and museums;
- iii. Proclaimed roads.

6.2 Trading and economic services must be ring fenced and financed from service charges while community and subsidized services will be financed from profits on trading and economic services, regulatory fees, rates and rates related income.

6.3.1 Expenditure will be classified in the following categories:

- a. Employee related costs – wages and salaries;
- b. Employee related costs - social contributions;
- c. Remuneration of councilors;

- d. Working capital reserve;
- e. Collection costs;
- f. Depreciation;
- g. Repairs and Maintenance;
- h. Interest expense – external borrowings;
- i. Redemption payments;
- j. Bulk purchases;
- k. Contracted services;
- l. Grants and subsidies given;
- m. General expenses (other)
- n. Deficit on sale of assets.
- o. Internal transfers

6.3.2 Income will be classified in the following categories:

- a. Property rates;
- b. Penalties imposed;
- c. User charges for services;
- d. Regional service levies;
- e. Rental of services and facilities;
- f. Interest earned;
- g. Dividends received;
- h. Fines;
- i. Licenses and permits;
- j. Capital grants;
- k. Operating grants and subsidies;
- l. Other Income;
- m. Surplus on sale of assets.

6.4 Cost centers will be created to which the costs associated with providing the service can be allocated-

- a. by Department;
- b. by Section/service; and
- c. by Division/service.

6.5 The subjective classification of expenditure each with a unique vote will be applied to all cost centers.

PART 7: CATEGORIES OF PROPERTY

In determining whether a property forms part of a particular category indicated below, the municipality shall have regard to the actual as well as the permitted use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated in schedule 1, the permitted use of the property shall determine into which category it falls.

The categories of property for the municipality may include :

- Residential Properties
- Industrial Properties
- Business & Commercial Properties
- Farm Properties used for Agricultural purposes
- Farm Properties used for other Business & Commercial purposes
- Farm Properties used for Residential purposes
- Farm Properties used for purposes other than those specified above
- Farm Properties not used for any purpose
- Smallholdings used for Agricultural purposes
- Smallholdings used for Residential purposes
- Smallholdings used for Industrial purposes
- Smallholdings used for Business & Commercial purposes
- Smallholdings used for purposes other than those specified above
- State owned Properties: Residential
- State owned Properties: Business and other
- Municipal Properties
- Public Service Infrastructure
- Privately owned towns serviced by the owner
- Formal and informal settlements
- Communal Land
- State Trust Land
- Protected Areas
- Properties on which national monuments are proclaimed
- Properties owned by public benefit organizations and used for any specific public benefit activities
- Properties used for Multiple purposes
- Properties used for Public Worship (Churches)
- Property registered in the name of and used primarily as a place of worship by a religious community, including an official residence
- Roads owned by private persons
- Schools owned by private persons
- Dams owned by private persons
- Sectional Schemes Residential
- Sectional Schemes Business
- Undeveloped properties and/or any other category of property not mentioned above.
- Property acquired 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);
- Property which is subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996);

<p><u>PART 8: CATEGORIES OF OWNERS:</u></p>
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Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

8.1 The criteria may include (which list is not exhaustive):

- a. Owner/s of a residential property with a source of income within a determined threshold;
- b. indigent status of the owner of a residential property in terms of the Municipality's indigent policy;
- c. the age of the owner;
- d. owners dependant on pensions or social grants for their livelihood;
- e. owners of property situated within an area affected by-
 - i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No.57 of 2002); or
 - ii) serious adverse social or economic conditions unique to a certain or identified area.
- f. Owners of residential properties with a market value below an amount determined by the Council
- g. If the property has been assigned to a certain category which the municipality has specifically identified for purposes of exemptions, rebates or reductions;
- h. Owners of agricultural land used predominantly for agricultural purposes.

8.2 The municipality may determine the categories of owners in accordance with section 7 of this policy for purposes of granting exemptions, rebates or reductions in rates, and such categories of owners, may include (which list is not exhaustive):

- a. indigent owners in terms of the Municipality indigent policy;
- b. owners dependent on pensions or social grants for their livelihood;
- c. owners temporarily without an income;
- d. owners of property situated within an area affected by
 - i) disaster within the meaning of the Disaster Management Act 57 of 2002
 - ii) any other serious adverse social or economic conditions;

- e. owners of residential properties with a market value below an amount determined by the Municipality;
- f. owners of agricultural properties used predominantly for agricultural purposes.

PART 9: PROPERTIES USED FOR MULTIPLE PURPOSES:

Rates on properties used for multiple purposes may be levied on properties used for-

- a. a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- b. a purpose corresponding with the dominant use of the property:
 - i) by apportioning the market value of a property to the different purposes for which the property is used; and
 - ii) applying the relevant cent amount in the rand to the corresponding apportioned market value.

PART 10: DIFFERENTIAL RATING:

- 10.1 The municipality has the right, but is not compelled, to levy different rates for different categories of rateable properties. However the municipality is bound to follow the provisions of the **“REGULATIONS ON THE RATE RATIO BETWEEN THE RESIDENTIAL AND NON-RESIDENTIAL CATEGORIES OF PROPERTIES”** published by way of Government Notice 32061 on 27 March 2009 which provides that the rate on the categories on certain non-residential properties may not exceed the ratio to the rate on residential properties listed in the second column of the table in such regulation.
- 10.2 The Municipality will determine a rate for residential property and will apply the following rate ratios in relation to residential property:

Categories	Ratio in relation to residential property
Residential property	1:0.9
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	1: 0.27
Agricultural property used predominantly for commercial and / or industrial purposes	1:06
Smallholdings used predominantly for commercial and / or industrial purposes	1:06
Commercial / Business properties	1:06
Industrial properties	1:6
Public Service Infrastructure properties	1:0.27
Municipal properties	1:0 Exempt
Mining properties	1:1.3

10.3 The rate on the categories of non-residential property listed in the first column of the table above may not exceed the ratio to the rate on residential properties listed in the second column of the table above, where:

- a) the first number in the second column of the table represents the ratio to the rate on residential properties; and
- b) 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.

10.3 The criteria in determining these different categories of rateable property shall include but not necessarily be limited to the following factors

- (i) the actual use of the property;
- (ii) the permitted use of the property;
- (iii) the geographical area where the property is situated.

- 10.4 Differential rating among the various property categories will be done by way of the aforesaid ratios, exemptions, reductions and rebates.

PART 11: RELIEF MECHANISMS-EXEMPTIONS

- 11.1 In imposing the rate in the rand for each annual operating budget component, the council shall grant exemptions, rebates and reductions to the categories of properties and categories of owners indicated in the under mentioned schedule.
- 11.2 In determining whether a property forms part of a particular category indicated below, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated in schedule, the permitted use of the property shall determine into which category it falls.
- 11.3 The following categories of property are exempted from rates:

CATEGORY	COMMENT
(a) Municipal properties (Own municipality)	<p>Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.</p> <p>Rateable property registered in the name of the Municipality and which is let by the Municipality for not more than a nominal rent as determined by the Municipality <u>is excluded</u> from this exemption</p>
(b) Residential properties	<p>All residential properties with a market value of Seventy Thousand (R70 000.00) are exempted from paying rates. The R15 000-00 impermissible rates contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the aforesaid amount. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.</p> <p>The first Seventy Thousand (R70 000.00) value</p>

		of all residential properties (including farm properties used for residential purposes and smallholdings used for residential purposes) is exempt from being rated and will be excluded from the market value when determining the rates payable in respect of all residential properties.
(c)	Cemeteries and crematoriums	Registered in the names of private persons and operated not for gain.
(d)	Public service Infrastructure	Public Service infrastructure is exempted from paying rates as they provide essential services to the community
(e)	Public Benefit Organizations (listed as (i) – (x) below	Public Benefit Organizations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):
(i)	Health care institutions	Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
(ii)	Registered Welfare institutions	Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality
(iii)	Educational institutions	Property belonging to educational institutions declared or registered by law and not operated for gain.
(iv)	Independent schools	Property used by registered independent schools for educational purposes only.
(v)	Charitable institutions	Property belonging to not-for-gain institutions or organizations that perform charitable work.
(vi)	Sporting bodies	Property used by an organization whose sole purpose is so use the property for sporting

	purposes on a non-professional basis and not operated for gain.
(vii) Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 of the Cultural Institutions Act, Act 66 of 1989.
(viii) Museums, libraries, art galleries and botanical gardens	Registered in the name of private persons, open to the public and not operated for gain.
(ix) Youth development organizations	Property owned and/or used by organizations for the provision of youth leadership or development programmes.
(x) Animal welfare	Property owned or used by institution/organizations for the provision exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
f) Private Conservancies and private land managed for conservation	<p>Property or a portion of a property which is subject to a management plan approved in terms of the National Environmental Management: Biodiversity Act 10 of 2004 or other relevant Acts and regulations. The existence of a conservancy management plan must be confirmed in writing by the relevant local organ of state namely Limpopo Department of Economic Development and Tourism and may relate to:</p> <ul style="list-style-type: none"> a) Water-catchments and resource conservation; b) Rehabilitation of land including alien plant removal, biodiversity protection; land restoration and donga reclamation; c) carbon sequestration by use of indigenous species; <p>The land owner will bear the onus to prove the percentage of land in relation to the property which will qualify for exemption.</p> <p>Should the land owner fail to carry out the land management plan in accordance with such plan and / or use such land in contravention of such plan the land owner will become liable for all rates which would have been payable in respect of such land had the exemption not been granted.</p>

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11.4 Exemptions will be subject to the following conditions:

- a. all applications must be addressed in writing to the municipality in the prescribed manner or application form;
- b. The municipal manager or his/her nominee must approve all applications;
- c. Applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought;
- d. The municipality retains the right to refuse exemptions if the details supplied in the application from where incomplete, incorrect or false.

Note: The exemption referred to in paragraph 11.1 relating to residential properties need not be applied for and will be automatically calculated.

11.5 Measures To Assist Public Benefit Organisations

The Municipality may grant a % rebate (to be determined by resolution of the council), of rates otherwise payable to it by any public benefit organization referred to in Section 18A and Part 1 of the 9th Schedule of the Income Tax Act, No 58 of 1962, provided that such organization has been approved as such by SARS in accordance with Section 30 of the Act.

<h2><u>PART 12</u> <u>REDUCTIONS</u></h2>

12.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by:-

- b) a disaster within the meaning of the Disaster Management Act, 2002 (Act no 57 of 2002); or
- c) any other serious adverse social economic conditions

12.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

12.3 All categories of owners can apply for a reduction in the rates payable as described above.

12.4 Criteria for granting reductions

- a. A reduction in the municipal valuation as contemplated in section 15(1) (b) of the Act will be granted where the value of a property is affected by fire damage, demolition or floods.
- b. The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.
- c. The valuer may apply the reduced valuation for a specified time period, which period may not extend beyond the next financial year.

PART 13 REBATES

13.1 The following rebates will apply and will be calculated after the ratios referred to in part 10 above have been calculated:

	CATEGORY OF PROPERTY	REBATE
1	Residential properties (including farm properties used predominately for residential purposes and smallholdings used predominately for residential purposes) or properties of any category used for multiple purposes where the residential component represents on average 90% or more of the property's actual use: <u>With improvements:</u> <u>Without improvements:</u> <u>Privately owned town:</u> serviced by owner, for improved residential properties an additional	% % %
2	Industrial properties	%
3	Business and Commercial Properties	%
4	Farm Properties used for Agricultural purposes Farm Properties used for other Business & Commercial purposes Farm Properties used for Residential purposes (in addition to the above residential rebate) Farm Properties used for purposes other than those specified above	%

	Farm Properties not used for any purpose Smallholdings used for Agricultural purposes Smallholdings used for Residential purposes (in addition to the above residential rebate) Smallholdings used for Industrial purposes Smallholdings used for Business & Commercial purposes	
4.1	The above mentioned properties will be granted a rebate as set out hereinunder subject to the owner providing the Municipality with required information in affidavit form together with a completed prescribed application form (which will be available on the Municipal website or at the Municipal offices at Mogwadi) received not later than 30 September each year unless a different date is determined by Council for a specific year.	%
4.2	<u>Rebates will be granted on the following as outlined hereunder:</u>	
4.2.1	<u>The extent of municipal services provided to such properties</u>	
	-if there are no municipal roads next to the property	10 %
	-if there is no municipal sewerage to the property	7 %
	- if there is no municipal electricity supply to the property	7.5 %
	- if water is not supplied by the municipality	7.5 %
	- if there is no refuse removal that is provided by the municipality	7.5 %
4.2.2	<u>The contribution of agriculture to the local economy</u>	
	- A rebate may be granted to agricultural property that contributes substantially to job creation, and the salaries/wages of farm workers are reasonable, e.g. if they meet minimum standards set by government or if they are in line with the sector's average.	10 %
4.2.3	<u>The extent to which agriculture assists in meeting service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers</u>	
	- if the owner provides permanent residential property to the farm workers.	5 %
	- if residential properties of workers are provided with potable water	5 %
	- if residential properties of workers are electrified by the farmer	5 %
	- if residential properties of workers are provided with sanitation in the form of flush toilets (water borne sewerage)	5%
	- if the farmer avails his land / buildings to be used for cemetery, education and / or recreational purposes of the farm worker's children, the nearby community etc.	5%
5	Communal Land	%
6		

	State Trust Land	%
7	Protected Areas	100%
8	Properties on which national monuments are situated, and where no business or commercial activities are conducted in respect of such monuments	100 %
9	Properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments	40 %
10	Properties owned by public benefit organisations registered at the Department of Welfare and used to further the objectives of such organizations	100 %
11	Properties belonging to a land reform beneficiary or his or her heirs for the first 10 years after the registration of the title in the office of the Registrar of Deeds	100 %
12	Property registered in the name of and used primarily as a place of worship by a religious community, including an official residence	100 %

NOTE: In addition to the foregoing, the first R35 000.00 of the market value of all residential properties (including residential farm properties and residential smallholdings) and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates - such exemption includes the R15, 000-00 exemption provided for in terms of Section 17(1) (h) of the Property Rates Act.

13.2 Municipal properties shall exclude properties owned or used by other municipalities.

13.3 Properties used for multiple purposes, other than those referred to under residential properties above, shall be rated on the value assigned to each component, and shall receive the rebate applicable to such component. Where one component on average represents 90% or more of the property's actual use, such property shall be rated as though it were used for that use only.

13.4 The following categories of owners of properties shall **additionally receive** the following rebates on the rates due in respect of such properties after deducting the rebate to residential properties, where applicable:

CATEGORY OF PROPERTY OWNERS	REBATE
Residential property owners who are both the permanent occupants and the sole owners of the property concerned and who are <u>registered indigents</u> in terms of the Councils indigent management policy.	100 % of the rates based on the rateable value up to R100 000 <u>and</u> 75% of the rates based on the rateable value above R100 000.
Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned and whose aggregate joint household income is proved to be to the satisfaction of the municipal manager not to exceed R3 000 per month, or such other amount as the Council may from time to time determine.	100 % of the rates based on the rateable value up to R100 000, 50 % of the rates based on the rateable value above 100 000 but below R150 000 <u>and</u> 40% of the rates based on the rateable value above R150 000.
<p>Applicants who are: Medically unfit, disabled and retired due to medical reasons and whose aggregate household income is proved to be to the satisfaction of the municipal manager not to exceed R3 000 per month, or such other amount as the Council may from time to time determine.</p> <ul style="list-style-type: none"> • Applicants qualify irrespective of age on condition that an acceptable medical certificate be produced to Council. • The maximum income must not exceed the perk laid down by Council from time to time. • The Applicant must be a registered owner of the property, living on the property and have occupied it for at least 5 years. • The Applicant cannot be a registered owner of more than one property in the Municipal area. <p>A rebate as determined on the above mentioned rates shall apply for residential applicants who qualify in terms of these criteria.</p>	<p>100 % of the rates based on the rateable value up to R100 000, 50 % of the rates based on the rateable value above 100 000 but below R150 000 <u>and</u> 40% of the rates based on the rateable value above R150 000.</p>

13.5 The council grants the above rebates in recognition of the following factors:

- 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.
- The need to accommodate indigents and less affluent pensioners.
- The services provided to the community by public service organizations, schools and hospitals.
- The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.
- The need to preserve the cultural heritage of the local community.
- The need to encourage the expansion of public service infrastructure.
- The indispensable contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.
- The requirements of the Property Rates Act no. 6 of 2004.

13.6 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 clearly indicated on the rates accounts submitted to each property owner.

- a. The benefit to the community of granting relief measures will be.

- (i) The promotion of local economic development including attracting business establishment;
- (ii) Creation of employment for municipal residents;
- (iii) Promotion of service delivery, for example by farmers;
- (iv) Poverty alleviation to the indigents;
- (v) Social development and moral development, for example, by religious institutions, sport institutions, schools and other non governmental organizations which promote health and other benefit to the community; and
- (vi) Improved local economic growth.

13.7 **AGRICULTURAL PROPERTIES**

The following factors provide the background to the rebate applicable to agricultural properties (including all properties listed on that section of the valuation roll known as the “farm roll”):

- 13.7.1 The new valuation roll will include properties which will be listed on a roll entitled “Farm roll” and will include all agricultural properties and land situated within the Municipal boundaries. This list will include agricultural smallholdings and land which is generally not serviced by the Municipality by way of:
- a) municipal roads next to such properties;
 - b) municipal sewerage to such properties;
 - c) municipal electricity supply to such properties;
 - d) municipal water supplies; or
 - e) municipal refuse removal.
- 13.7.2 The Municipality recognizes that the above services are provided by owners of the properties and that they have and will continue to incur costs to provide such services which would otherwise be provided by the Municipality.
- 13.7.3 An additional value in respect of businesses such as guesthouses and residences situated on properties listed in the aforesaid “Farm roll” has been included in the valuation of such properties.
- 13.7.4 The residential exemption of R35 000.00 does not apply to farm properties used for agricultural purposes or smallholdings used for agricultural purposes.

13.7.5 The Municipality has engaged organized agriculture in determining this rates policy and acknowledges that agriculture makes a very important contribution to the local economy.

13.7.6 The extent to which agriculture assists in meeting service delivery and development obligations of the municipality and its contribution to the social and economic welfare of farm workers has also been taken into consideration. It is accepted that many farm labourers are provided with potable water and many residences are electrified by owners. Furthermore it is noted that many farmers have allowed agricultural land to be used for cemetery, education and recreational purposes of the farm workers and their children.

13.7.7 **Sustainability of rates on agricultural properties:**

- a) The Municipality has engaged the Molemole Land Owners Association which represents the majority of commercial farmers and owners of agricultural properties in the Municipal area. In particular the Farmers Association has referred the municipality to the provisions of Section 3(4) of the Act and has indicated that a net rate per annum of 0.125% of land value is the maximum rate which will be sustainable for commercial agriculture.
- b) It is accepted that a rating policy on agricultural land would need to take into consideration the rating policies of the neighboring areas.
- c) Organised agriculture has referred to a report of an Agricultural Economist, namely AR Bischof, dated June 2008 in which a rate of 0.1% of land value per annum would appear to be acceptable to sustain commercial agriculture without harming farming in general.
- d) It would appear that no studies have been carried out which cover the area of the Molemole Municipal which would enable the sustainability of commercial farming to be assessed with reference to other neighbouring areas.
- e) It is noted that other Municipalities has a rates policy relating to Agriculture which indicates that agricultural properties are rated on a ratio of 0.25: 1 when compared with residential rates.

- f) The Municipality accordingly accepts that a net rate of 0,125% per annum in relation to residential properties is the maximum rate which is sustainable as a municipal rate on property in respect of agricultural properties and will adjust the rebate applicable to such properties to achieve such maximum rate of 0.125%.

13.8 **Commercial and Industrial development**

The Municipality recognizes that commerce and industry play an important role in uplifting the local economy. Measures may be developed in consultation with role players in commerce and industry to attract potential investors and businesses to the municipal area. These may include rebates for business and industrial properties and measures to make conducting business and industry in the municipal area attractive such as further rebates for such properties.

<h2><u>PART 14: RATES INCREASES</u></h2>

Rates increases must be considered taking the following into consideration:

- 14.1 The municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time;
- 14.2 Rate increases will be used to finance the increase in operating costs of community and subsidized services;
- 14.3 Relating to community and subsidized services the following annual adjustments will be made:
- All salary and wage increases as agreed at the South African Local Government Bargaining Council.
 - An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds, and
 - Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year;

- 14.4 Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an increase in property rates;
- 14.5 Affordability of rates to ratepayers;
- 14.6 All increases in property rates will be communicated to the local community in terms of Chapter 4 of the Local Government: Municipal Systems Act, 32 of 2000.

PART 15 NOTIFICATION OF RATES

- 15.1 The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- 15.2 A notice stating that purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

PART 16 PAYMENT OF RATES AND ACCOUNTS TO BE FURNISHED

- 16.1. Ratepayers may choose between paying rates annually in one installment on or before 30 September or in twelve equal installments on or before the seventh day of the month following on the month in which it becomes payable.
- 16.2. If the owner of property that is subject to rates, notifies the municipal manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the municipal manager or his/her nominee that he/she wishes to pay all rates in respect of such property in installments, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in twelve installments until such notice is withdrawn by him/her in a similar manner.

- 16.3. Interest on arrears rates, whether payable on or before 30 September or in equal monthly installments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 16.4. If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.
- 16.5. Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- 16.6 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation between the tenant and the owner. The Municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier.
- 16.7 The amount that the municipality will recover from the tenant or occupier will be limited to the amount of the rent or other money due and payable, but not yet paid by the tenant or occupier to the owner of the property. The tenant or occupier must set off any amount recovered from them by the municipality against any money owed to the owner.
- 16.8 The tenant or occupier of a property will on request of the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period as may be determined by the municipality.
- 16.9 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The Municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.
- 16.10 The amount that the municipality will recover from the agent will be limited to the amount of the rent or other money received by the agent on behalf of the owner less any commission due to the agent.
- 16.11 The agent will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.

16.12 A rate levied by the Municipality on a property must be paid by the owner of the property. Joint owners of a property are jointly and severally liable for the amount due for rates on that property.

16.13 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

16.14 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

16.15 Payment Of Rates On Property In Sectional Title Scheme

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

16.16 Accounts To Be Furnished

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

- i) The amount due for rates payable;
- ii) The date on or before which the amount is payable;
- ii) How the amount was calculated;
- iii) The market value of the property;
- iv) Phasing in discount if applicable.

16.17 The person liable for payment of the rates remains liable for such payment whether or not such person has received a written account from the Municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries from the Municipality.

PART 17 REGULAR REVIEW PROCESS

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

PART 18: SHORT TITLE

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

PART 19: ENFORCEMENT/IMPLEMENTATION

This policy has been approved by the Municipality in terms of resolution dated the _____ and comes into effect from _____.

PART 20: PHASING IN

Rates levied on newly rateable property will be phased in over a period of three years in terms of the provisions of Section 21 of the Act.

The phasing-in discount on the properties referred to in Section 21 of the Act shall be as follows:

- a) First Year: 75% of the relevant rate;
- b) Second Year: 50% of the relevant rate; and
- c) Third Year: 25% of the relevant rate.

PART 21 LEGAL REQUIREMENTS

The legal requirements of the Act are attached as **“Annexure A”** to this policy document.

ANNEXURE “A”

LEGAL REQUIREMENTS

This annexure does not cover the complete contents of the Property Rates Act, but focuses on those requirements that are immediately relevant to a municipality’s rates policy. The provisions dealing with most of the valuation processes and with transitional arrangements are not covered in this annexure. HCB must give permission for the Municipality to use this policy or any part thereof.

SECTION 2: POWER TO LEVY RATES

A metropolitan or local municipality may levy a rate on property in its municipal area. A Municipality must exercise its power to levy a rate on property subject to Section 229 and any other applicable provisions of the Constitution, the provisions of the present Act, and the rates policy it must adopt in terms of this Act.

SECTION 3: ADOPTION AND CONTENTS OF RATES POLICY

- 1) The council of a municipality must adopt a policy consistent with the present Act on the levying of rates on rateable property in the municipality
- 2) Such a rates policy will take effect on the effective date of the first valuation roll prepared by the municipality in terms of the present Act, and such policy must accompany the municipality’s budget for the financial year concerned when that budget is tabled in the council in terms of the requirements of the Municipal Finance Management Act.

A RATES POLICY MUST:

- 1) Treat persons liable for rates equitably;
- 2) Determine the criteria to be applied by the municipality if it;
- 3) Levy different rates for different categories of property;
- 4) Exempt 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) 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 rate payable in respect of their properties;
- 6) Determine or provide criteria for the determination of categories of properties for the purposes of levying different rates, and categories of owners of properties, or categories of properties, for the purpose of granting exemptions, rebates and reductions;

- 7) Determine how the municipality's powers in terms of Section 9 must be exercised in relation to properties used for multiple purposes;
- 8) Identify and quantify in terms of cost to the municipality and any benefit to the local community, exemptions, rebates and reductions, exclusions; and rates on properties that must be phased in terms of Section 21;
- 9) Take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;
- 10) Take into account the effect of rates on organizations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax reductions because of those activities, in the case of property owned and used by such organizations for those activities;
- 11) Take into account the effect of rates on public service infrastructure; allow the municipality to promote local, social and economic development; and
- 12) Identify, on a basis as may be prescribed, all rateable properties in a municipality that are not rated in terms of Section 7.
- 13) When considering the criteria to be applied in respect of any exemptions, rebates
- 14) and reductions on properties used for agricultural purposes, a municipality must take into account:
 - (a) The extent of services provided by the municipality in respect of such properties;
 - (b) The contribution of agriculture to the local economy;
 - (c) The extent of which agriculture assists in meeting the service delivery and development obligations of the municipality; and
 - (d) The contribution of agriculture to the social and economic welfare of farm workers
- 15) Any exemptions, rebates or reductions granted and provided for in the rates policy adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organized local government.
- 16) No municipality may grant relief in respect of the payment of rates to:
 - i) A category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, rebate or reduction as provided for in its rates policy and granted in terms of Section 15 of the present Act; or
 - ii) The owners of properties on an individual basis.

SECTION 4: COMMUNITY PARTICIPATION

- 1) Before a municipality adopts its rates policy, the municipality must follow the process of community participation envisaged in Chapter 4 of the Municipal Systems Act; and comply with the following requirements, as set out below.

- 2) The municipal manager of the municipality must:
 - i) Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries, and, if the municipality has an official website or a website available to it, on that website as well; and advertise in the media a notice stating that a draft rates policy has been prepared for submission to the council, and that such policy is available at the various municipal offices for public inspection, and (where applicable) is also available on the relevant website; and inviting the local community to submit comments and representations to the municipality within a period specified in the notice, but which period shall not be less than 30 days.

 - ii) The council must take all comments and representations made to it into account when considers the draft rates policy,

SECTION 5: ANNUAL REVIEW OF RATES POLICY

The council must annually review, and if necessary amend its rates policy. Any amendments to the rates policy must accompany the municipality's annual budget when it is tabled in the council in terms of the Municipal Finance Management Act

When the Council decides to amend the rates policy, community participation must be allowed for as part of the municipality's annual process.

SECTION 6: BY-LAWS TO GIVE EFFECT TO RATES POLICY

A municipality must adopt by-laws to give effect to the implementation of its rates policy, and such by-laws may differentiate between different categories of properties, and different categories of owners of properties liable for the payment of rates.

SECTION 7: RATES TO BE LEVIED ON ALL RATEABLE PROPERTY

- 1) When levying rates a municipality must levy such rates on all rateable property in its area, but it is nevertheless not obliged to levy rates on;
 - (a) Properties of which the municipality itself is the owner

- (b) Public service infrastructure owned by a municipal entity
 - (c) Rights registered against immoveable property in the name of a person;
 - (d) Properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure attributable to past racially discriminatory laws or practices.
- 2) The requirement to levy rates on all rateable properties does not prevent a municipality from granting exemptions from rebates on or reductions in rates levied.

SECTION 8: DIFFERENTIAL RATES

- 1) A municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, and these categories may be determined according to the:
- (a) Use of the property;
 - (b) Permitted use of the property; or
 - (c) Geographical area in which the property is situated
- 2) Categories of rateable property that may be determined include the following:
- i) Residential properties
 - ii) Industrial properties
 - iii) Business and commercial properties
 - iv) Farm properties used for
 - v) Agricultural purposes
 - vi) Other business and commercial purposes
 - vii) Residential purposes
 - viii) Purposes other than those specified above
 - ix) Farm properties not used for any purpose
 - x) Smallholdings used for:
 - xi) Agricultural purposes
 - xii) Residential purposes
 - xiii) Industrial purposes
 - xiv) Business and commercial purposes
 - xv) Purpose other than those specified above
 - xvi) State owned properties
 - xvii) Municipal properties
 - xviii) Public service infrastructure
 - xix) Privately owned towns serviced by the owner
 - xx) Formal and informal settlements
 - xxi) Communal land
 - xxii) State trust land

- xxiii) Properties acquired through the provision of land Assistance Act 1993 or the Restitution of Land rights Act 1994 or which is subject to the Communal Property Associations Act 1996
- xxiv) Protected areas
- xxv) Properties on which national monuments are proclaimed
- xxvi) Properties owned by public benefit organizations and used for any specific public benefit activities
- xxvii) Properties used for multiple purposes

SECTION 9: PROPERTIES USED FOR MULTIPLE PURPOSES

- 1) A property used for multiple purposes must, for rates purposes, be assigned to a category determined by the municipal for property used for:
- 2) A purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- 3) A purpose corresponding with the dominant use of the property; or multiple purposes, as specified in section 8 above.
- 4) A rate levied on a property assigned to a category of properties used for a multiple purposes must be determined by:
- 5) Apportioning the market value of the property, in a manner as may be prescribed to the different purposes for which the property is used; and applying the rates applicable to the categories determined by the municipal for properties used for those purposes to the different market value apportionments.

SECTION 10: LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

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

SECTION 11: AMOUNT DUE FOR RATES

- 1) A rate levied by a municipality on property must be stated as an amount in the rand:
 - i) On the market value of the property;
 - ii) In the cases of public service infrastructure; on the market value of the public service infrastructure less 30% of that value;
 - iii) In the case of property to which section 17(1)(h) applies, on the marked value of the property less the amount stated in that section

(note the section concerned deals with the requirement that the first R15 000 of the market value of the certain properties is not rate able.)

SECTION 12: PERIODS FOR WHICH RATES MAY BE LEVIED

In levying rates, a municipality must levy the rates for a financial year. A rate lapses at the end of the financial year for which it was levied.

The levying of rates forms part of the municipality's annual budget process, and the municipality must therefore annually, at the time of its budget process, review the amount in the rand of its current rates in line with the annual budget for the next financial year.

SECTION 13: COMMENCEMENT OF RATES

A rate become payable as from the start of the particular financial year, or if the municipalities annual budget is not approved by the start of the financial year, as from such later date when the municipality's annual budget, including the resolution levying the rates, is approved by the provincial executive in terms of section 26 of the municipal finance management Act.

SECTION 14: PROMULGATION OF RESOLUTIONS LEVYING RATES

- 1) A rate is levied by a municipality by a resolution passed by the council with a supporting vote of a simple majority of its members.
- 2) The resolution levying the rates must be promulgated the resolution in the provincial gazette.
- 3) Whenever a municipality passes a resolution to levy rates, the municipal manager must, without delay, conspicuously display the resolution for a period of at least 30 days at the municipality's head and satellite offices and libraries, and if the municipality has an official website or a website is available to it, on that website as well; and advertise in the media a notice stating that the resolution levying the property rates has been passed by the council, and the resolution is available at the municipality's head offices as so forth.

SECTION 15: EXEMPTIONS, REDUCTIONS AND REBATES

- 1) A municipality may in terms of the criteria which it has set out in its rates policy:
- 2) Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of the rate levied on their property; or grant to a specific category of owners, 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.

- 3) In granting exemptions, reductions and rebates in respect of owners or categories of properties, a municipality may determine such categories in accordance with section 8 of the present Act, and when granting exemptions, reductions or rebates in respect of categories or owners of properties, such categories may include:
 - (a) Indigent owners;
 - (b) Owners dependent on pensions or social grants for their livelihood;
 - (c) Owners temporarily without income;
 - (d) Owners of property situated within an area affected by a disaster or any other serious adverse social or economic conditions;
 - (e) Owners of residential properties with a market value lower than an amount determined by municipality; and
 - (f) Owners of agricultural properties who are bona fide farmers.
- 4) The municipal manager must annually table in the council:
- 5) A list of all exemptions, reductions and rebates granted by the municipality during the previous financial year, and
- 6) A statement reflecting the income, which the municipality has forgone during the previous financial year by way of such exemption, reductions and rebates, exclusions referred to in the Act, and the phasing in discount granted in terms of Section 21.
- 7) All exemptions, reductions and rebates projected for a financial year must be reflected in the municipality's annual budget for that year as income on the revenue side and expenditure on the expenditure side.

SECTION 16: CONSTITUTIONALLY IMPERMISSIBLE RATE

- 1) In terms of Constitution a municipality may not exercise its power to levy rates on property in a manner that materially and unreasonably prejudices national economic policies, economic across its boundaries, or the national mobility of goods, services, capital and labour.
- 2) If a rate on a specific category of properties, or a rate on a specific category of properties above a specific amount in the rand, is materially and unreasonably prejudicing any of the matters referred to above, the Minister of Provincial and Local Government may, by notice in the gazette, give notice to

the relevant municipality that the rate must be limited to an amount in the rand specified in the notice.

SECTION 17: OTHER IMPERMISSIBLE RATES

- 1) A municipality may not levy on a rate on:
 - i) The first 30% of the market value of public service infrastructure;
 - ii) Any part of the seashore;
 - iii) Any part of the territorial waters of the Republic;
 - iv) Any island of which the state is the owner;
 - v) Those parts of a special nature reserve, national park or nature reserve or national botanical garden, which are not developed or used for commercial, business, agricultural or residential purposes;
 - vi) Mineral rights;
 - vii) Property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses 10 years from the date on which such beneficiary's title was registered in the office of the registrar of the deeds;
 - viii) The first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined by the municipality for residential purposes or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes;
 - ix) 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 the community which is occupied by an office bearer of that community and who officiates at services at the place of workshop.
 - x) (The remainder of this section deals with situation where the various exemptions lapse)

SECTION 18: EXEMPTION OF MUNICIPALITIES FROM PROVISIONS OF SECTION 17

A municipality may apply in writing to the Minister for Provincial and Local Government to be exempted from applying the exemptions granted in respect of the first 30% of the market value of public infrastructure, the exemptions on nature reserves, national parks and national botanical gardens, the exemption on property belonging to land beneficiaries, and the exemption applying to the first R15 000 of the market value of residential and mixed use property, if the municipality can demonstrate that exclusions are compromising or impending its ability or right to exercise its powers or perform its functions within the meaning of the Constitution.

SECTION 19: IMPERMISSIBLE DIFERENTIATION

- 1) A municipality may not levy:
 - i) Different rates on residential properties (except where transitional arrangements apply or where some of the properties are newly rate able);
 - ii) A rate on non-residential properties that exceeds a prescribed ratio to the rate on residential properties;
 - iii) Rates which unreasonably discriminate between categories of non-residential properties; and
 - iv) Additional rates, except as provided for in section 22.

SECTION 20: LIMITS ON ANNUAL INCREASES OF RATES

- 1) The minister of Provincial Local Government may, with the concurrence of the Minister of Finance and by notice in the gazette, set an upper limit on the percentage by which rates on properties or a rate on a specific category of properties may be increased. Different limits may be set for different kinds of municipalities or different categories of properties.
- 2) The minister may, on written application by a municipality, and on good cause shown, exempt such municipality from a limit set in terms of the foregoing.

SECTION 21: COMPULSORY PHASING IN OF CERTAIN RATES

- 1) A rate levied on newly rate able property must be phased in over a period of three financial years. Similarly, a rate levied on property owned by a land reform beneficiary must, after the exclusion period has lapsed, be phased in over a period of three financial years.
- 2) A rate levied on a newly ratable property owned and used by organizations conducting specified public benefit activities must be phased in over a period of four financial years.
- 3) The phasing in discount on a property must:
 - a) In the first year, be at least 75% of the rate for that year otherwise applicable to that property;
 - b) In the second year, be at least 50% of the rate for that year otherwise applicable to that property, and;
 - c) In the third year, be at least 25% of the rate for that year otherwise applicable to that property.
- 4) No rate may be levied during the first year on newly rate able property owned and used by organizations conducting specified public benefit activities.

Thereafter the phasing in discount shall apply as for other newly rate able property except that the 75% discount shall apply to the second year, the 50% to the third year, and the 25% to the fourth year.

- 5) A rate levied on newly rate able property may not be higher than the rate levied on similar property or categories of property in the municipality.

SECTION 22: SPECIAL RATING AREAS

- 1) A municipality may by a resolution of its council determine an area within that municipality as a special rating area, levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area, and differentiate between categories of properties when levying such additional rate.
- 2) For determining such a special rating area, the municipality must undertake a prescribed process of consultation with the local community, and 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.
- 3) The levying of an additional rate may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's IDP.

SECTION 23: REGISTER OF PROPERTIES

- 1) The municipality must draw up and maintain a register in respect of all properties situated within that municipality, dividing such register into a part A and B.
- 2) **Part A** of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls prepared from time to time.
- 3) **Part B** of the register specifies which properties on the valuation roll or any supplementary valuation rolls are subject to:
 - i) An exemption from rates in terms of Section 15 of the present Act;
 - ii) A rebate on or a reduction in the rate in terms of Section 15;
 - iii) A phasing in of the rate in terms of Section 21; and
 - iv) An exclusion referred to in Section 17.
- 4) The register must be open for inspection by the public during office hours, and if the municipality has an official website or a website available to it, the register must also be displayed on that website.

- 5) The municipality must at regular intervals, but at least annually, update part B of the register.

SECTION 24: PROPERTY RATES PAYABLE BY OWNERS

- 1) The owner of the property must pay a rate levied by a municipality on property.
- 2) Joint owners of a property are jointly and severally liable for the amount due for rates on that property.
- 3) In the case of agricultural property owned by more than one owner in undivided shares, the municipality must consider whether in the particular circumstances it would be more appropriate for the municipality to hold any one of the joint owners liable for all rates levied in respect of the agricultural property, or to hold any joint owner only liable for that portion of the rates levied on the property that represent that joint owner's undivided share in the agricultural property.

SECTION 25: PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

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

SECTION 26: METHOD AND TIME OF PAYMENT

- 1) A municipality must recover a rate on a monthly basis, or less often as may be prescribed in terms of the Municipal Finance Management Act, or annually, as may be agreed to with the owner of the property.
- 2) If the rate is payable in a single annual amount, it must be paid on or before a date determined by the municipality. If the rate is payable in installments, it must be paid on or before a date in each period determined by the municipality.

SECTION 27: ACCOUNTS TO BE FURNISHED

- 1) A municipality must furnish each person liable for the payment of a rate with a written account specifying:
 - (a) The amount due for rates payable;
 - (b) The date on or before which the amount s payable;
 - (c) How the amount was calculated;
 - (d) The market value of the property.
- 2) If the property is subject to any compulsory phasing in discount in terms of Section 21, the amount of the discount, and if the property is subject to any additional rate in terms of section 22, the amount due for additional rates.
- 3) The person liable for payment of the rates remains liable for such payment whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, that person must make the necessary enquiries from the municipality.

SECTION 28: RECOVERY OF RATES IN ARREAS FROM TENANTS AND OCCUPIERS

- 1) If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date is determined for payment by the municipality, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary or occupier. The municipality may recover an amount only after it has served a written notice on such tenant or occupier.
- 2) The amount that the municipality may recover from the tenant or occupier is limited to the amount of the rent or other money due or payable, but not yet paid, by such tenant or occupier to the owner of the property.

SECTION 29: RECOVERY OF RATES FROM AGENTS

- 1) A municipality may recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the municipality, but only after the municipality has served a written notice on the agent in this regard.
- 2) The amount that the municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

SECTION 30: GENERAL VALUATION AND PREPARATION OF VALUATION ROLLS

- 1) A municipality intending to levy a rate on property must cause a general valuation to be made of all properties in the municipality, and must prepare a valuation roll of all properties in terms of such valuation.
- 2) All rate able properties in a municipal area must be valued during such general valuation, including all properties fully or partially excluded from rates in terms of Section 17 of the present Act. However, if the municipality does not intend to levy rates on its own property, on public service infrastructure owned by a municipal entity, on rights in properties, and on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past discrimination, the municipality is not obliged to value such properties as part of the valuation process.
- 3) A municipality may also apply to the Minister for exemption for the obligation to value properties excluded from rates in terms of Section 17 if the municipality can demonstrate that the valuation of such properties is too onerous for it, given its financial and administrative capacity.
- 4) Properties, which have not been valued, because of any of the foregoing considerations, must nevertheless be included in the valuation roll.

SECTION 31: DATE OF VALUATION

- 1) For the purposes of general valuation a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.
- 2) The general valuation must reflect the market values of properties in accordance with market conditions, which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act.

SECTION 32: COMMENCEMENT AND PERIOD OF VALIDITY OF VALUATION ROLLS

- 1) A valuation roll takes effect from the start of the financial year following completion of the public inspection period required by the present Act, and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than four financial years.

- 2) Section 32 (2) provides for the extension of the period of the validity of the valuation roll by the MEC for Local Government, but only up to a period of five financial years, and only in specified circumstances.

SECTION 46: GENERAL BASIS OF VALUATION

The market value of a property is the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer.

SECTION 47: VALUATION OF PROPERTY IN SECTIONAL TITLE SCHEMES

When valuing a property, which is subject to a sectional title scheme, the valuer must determine the market of each sectional title unit in the scheme.

SECTION 77: GENERAL

A municipality must regularly, but at least once a year, update its valuation roll by causing a supplementary valuation roll to be prepared, or the valuation roll itself to be amended.

CERTIFICATE OF ENDORSEMENT:

The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations have been reduced to writing and been signed by the Accounting Officer. Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to