



EMFULENI
LOCAL MUNICIPALITY

Vaal River City, the Cradle of Human Rights

PROPERTY RATES POLICY

2015/2016 FINANCIAL YEAR

Section 3 of Local Government: Municipal Property Rates Act,
No. 6 of 2004

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PREAMBLE

WHEREAS the Constitution of the Republic of South Africa, 1996 empowers the Council to impose rates on property in their Municipal area;

AND WHEREAS section 3 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) determines that the council of a municipality must adopt a rates policy in accordance to the determination of the Act;

AND WHEREAS the Council must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend the rates policy;

AND WHEREAS this policy does not contain all provisions of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) but lists the key provisions that the municipality deems necessary for ratepayers to be aware of so that they fully understand rating issues that will affect them and must therefore be read in conjunction with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and any regulation promulgated in terms thereof from time to time;

NOW THEREFORE the following policy on the levying of property tax is adopted.

SECTION A

1. INTRODUCTION

The Local Government: Municipal Property Rates Act (2004) requires Municipalities to develop and adopt rates policies in consistent with the Act on the levying of rates on rateable property in the municipality. Herewith is the proposed draft rates policy of Emfuleni Local Municipality to which residents/communities are invited to make suggestions and/or recommendations to the municipality by the date as highlighted in the public notices. Based on the public submissions, the municipal council will make a final decision. Where necessary oral presentations would be requested including bilateral meetings to obtain clarity on the submitted comments as well as further motivations thereof.

The municipality needs a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include for example installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes, which a municipality invites communities to input prior municipal council adoption of the budget.

2. OBJECTIVE

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 Act including any regulations promulgated in terms of the Act.

The objective of this policy is also to ensure that:

- All persons liable for property rates are treated fairly, equitably and reasonably;
- Rates are levied in accordance with the market value of the property;
- That rate will be based on the value of all rateable property and the amount required by the municipality to fulfill its developmental responsibility as well as to balance the operational budget, taking into account the surplus obtained from the trading and economical services and the amounts required to cover the costs of exemptions, reductions and rebates which the Council approves from time to time;
- Income from rates will be used to finance community and subsidized services and not trading or economical services and
- To optimally safeguard the income base of the municipality through exemptions, reductions and rebates which are reasonable and affordable.

3. DEFINITIONS

"**Act**" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and includes the regulations made in terms of Section 83 of the Act;

"**Agricultural Purposes**" in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

"**bona fide farmer**" means a person that conducts farming activities on an agricultural property or properties which is used *bona fide* and exclusively by the owner or occupier for agricultural purposes and "bona fide farming" has a corresponding meaning;

"**Business and commercial property**" means:

- (a) Property used for the activity of buying, selling or trade in commodities, goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such activity, or
- (b) Property on which administration of business of private or public entities take place: and "business and commercial properties" has a corresponding meaning;

"**Certificate of occupancy**" means the certificate issued by the Council in terms of the National Building Regulations and Building Standards Act, 1977 (Act No 103 of 1977);

"**Chief financial officer**" means a person designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003);

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

"**Core family**" means a couple, irrespective of gender (whether married or not), with or without children and/or the parents of either;

"**Council**" means:

- (a) The Emfuleni Local Municipality established in terms of as Section 12 of the Local Government: Municipal Structures Act 1998 (Act No 117

of 1998), as amended, exercising its legislative and executive authority through its Municipal Council; or

- (b) Its successor in title; or
- (c) A structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Municipal Systems Act;
- (d) In respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it;
- (e) Through a service delivery agreement in terms of section 81(2) of the Municipal Systems Act or any other law, as the case may be;

“Due date” means the date specified as such on a municipal account for any rates payable and which is the last day allowed for the payment of such rates;

“Exclusion” in relation to a municipality’s rating power means a restriction of the power as provided for in Section 17 of the Act;

“Exemption” in relation to the payment of a rate, means an exemption granted by the Municipality in terms of Section 15 of the Act;

“Dwelling” means a house designed to accommodate a single core family, including the normal outbuildings associated therewith;

“Financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the succeeding calendar year;

“Industrial property” means property used for a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity and “industrial property” has a corresponding meaning;

“land tenure right” means any rights referred to in the existing legislation pertaining to communal land envisaged by the Communal Land Rights Act,

2004 (Act 11 of 2004), which is still to be proclaimed and as referred to in the schedule of Acts to be repealed by that Act;

“Market value” in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

"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 or activity incidental thereto;

"Multiple use properties" means properties that cannot be assigned to a single category due to different uses.

“Municipal Systems Act” means the Local Government: Municipal Systems Act, No 32 of 2000, as amended;

“Municipality” means the Emfuleni Local Municipality;

"Municipal properties" means all properties of which the municipality is the owner or which property vest in the municipality but excludes such property owned by or vested in the municipality which is used residential, business and commercial and/or industrial purposes and “municipal properties” has a corresponding meaning;

"Newly rateable property" means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

“Owner” means:

- (a) In relation to a property referred to in paragraph (a) of the definition of “property”, 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”, 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”, a person in whose name the right is registered or to whom it was granted in terms of legislation; and

(d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, the organ of state that owns or controls that public service infrastructure; provided that a person mentioned below may for the purpose of the Act be regarded by a municipality as the owner of a property in the following circumstances:

- (i) a trustee, in the case of a property registered in the name of the trustee of a trust, excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it;
- (viii) a buyer, in the case of a property that has been sold by the Municipality and of which possession has been given to the buyer pending registration of ownership in the name of the buyer; or an occupier of a property that is registered in the name of the Municipality.

“**Pensioner**” mean retired property owners who reached the age of 60 years.

"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 and "protected area" has a corresponding meaning;

"Public Benefits Organisation" means an organisation conducting specified public benefit activities as defined in Section 30 of the Income Tax Act 1962 (Act No 58 of 1962) and registered in terms of the Income Tax Act for tax reductions because of those activities.

"Public benefit property" means property owned by a public benefit organisation and used for any specified public benefit 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 and "public benefit properties" has a corresponding meaning;

"Public Service Infrastructure" means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwater, sea walls, channels, basin, 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 light houses, 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 as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

“Rate” means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;

“Ratepayer” means any owner of rateable property as well as any owner of a rateable property held under sectional title, situate within the area of jurisdiction of the Council;

“Rateable property” means property on which a municipality may, in terms of Section 2 of the Act, levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;

“Ratio” means the relationship between two similar magnitudes in respect of quantity, determined by the number of times one contains the other;

“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;

“Residential property” means improved property that:

- (a) Is used for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and is used for residential purposes;
- (c) Is owned by a share-block company and is used for residential purposes;

- (d) Is a residence used for residential purposes situated on a property used for educational purposes;
- (e) Is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;
- (f) Is part of a retirement scheme and/or life right scheme used for residential purposes;
- (g) But excluding vacant (empty) stands or is used as a guesthouse, utilized for income generating purposes, hotel, and accommodation establishment, irrespective of their zoning or intended use, and “residential properties” has a corresponding meaning;

“**Service provider**” means a service provider contemplated in paragraph (d) of the definition of “Council”;

“**State**” means the National Government and the Gauteng Provincial Government;

“**State-owned properties**” means properties owned by the State, which are not included in the definition of public service infrastructure in the Act.

These state-owned properties are classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide/metro-wide service.
- (c) State properties that provide provincial/national service.

“**State trust land**” means land owned by the state:

- (a) In trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) Over which land tenure rights were registered or granted; or
- (c) Which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

“Town planning scheme” means

- (a) A town-planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance no 15 of 1986;
- (b) Any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

“Undeveloped vacant residential properties” means all properties (i) zoned or in respect of which the permitted use is for residential purposes; and (ii) are undeveloped; and (iii) are vacant; and (iv) are within a proclaimed township or a land development.

“Undeveloped vacant business and commercial properties” means all properties (i) zoned or in respect of which the permitted use is for business and commercial purposes; (ii) are undeveloped; and are (iii) vacant; and (iv) within a proclaimed township or a land development area.

“Undeveloped vacant Industrial properties” means all properties (i) zoned or in respect of which the permitted use is for industrial purpose; (ii) are undeveloped; and (iii) are vacant; and (iv) within a proclaimed township or a land development area.

“Vacant Agricultural properties” means all agricultural properties which are vacant.

“Vacant State-owned properties” means properties owned by the Provisional and /or National Government or an organ of State, excluding all properties that fall under the definition of Public Benefit Properties and Municipal Properties which are undeveloped.

“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 the

applicable town planning scheme and “zoned” has a corresponding meaning. Where a property carries multiple zoning rights, the categorization of such property will be determined by 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 Municipality for properties used for those purposes to the different market value apportionments.

4. PURPOSE OF THE POLICY

The purpose of the policy is:

- (1) To comply with the provisions as set out in section 3 of the Act.
- (2) To determine criteria to be applied for:
 - (a) Levying differential rates for different categories of properties;
 - (b) Exemptions relating to a specific category of owners of properties, or the owners of a specific category of properties;
 - (c) Rebates and reductions and
 - (d) Rate increases.
- (3) To determine or provide criteria for the determination of:
 - (a) Categories of properties for the purpose of levying different rates; and
 - (b) Categories of owners of properties or categories of properties for the purpose of granting of exemptions, rebates and reductions.
- (4) Determine how the municipality’s powers must be exercised in relation to properties which are to be categorized for multiple purposes.

- (5) Identify and provide reasons for:
 - (a) Exemptions, rebates and reductions;
 - (b) Exclusions; and
 - (c) Where provided for by the Minister for Local Government, rates on properties that must be phased in.
- (6) Take into account the effect of rates on the poor and to provide for appropriate measures to alleviate the rates burden on them;
- (7) Take into account the effect of rates on organisations conducting public benefit activities;
- (8) Take into account the effect of rates on public service infrastructure;
- (9) Determine measures to promote local economic and social development and
- (10) Identify all ratable properties that are not rated.

5. PRINCIPLES

- (1) The Council shall as part of each annual operating budget 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, excluding a mortgage bond;
- (2) The Council pledges itself to limit each annual rates increase as far as practicable so that the Council does not overburden its ratepayers.
- (3) The Council shall, in imposing the rate in respect of each financial year, take proper cognizance of the aggregate burden of rates and service charges on property owners, in the various categories of property ownership.

(4) The Council shall further, in imposing the rate in respect of each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad or doubtful debts, not to exceed 25% (twenty five percent) of the municipality's aggregate budgeted net revenues for the financial year concerned.

(5) Other policy principles:

- (a) All persons liable for property rates will be treated equitably and reasonably;
- (b) Rates will be levied in proportion to the market value of the property;
- (c) The rates levied will be based on the market value of all rateable properties and the amount required by the municipality to balance the operating budget after taking in account profits generated on trading and economic services and the amounts required to cover the cost of exemptions, rebates and reductions of rates as approved by Council from time to time;
- (d) Trading and economic services will be ring fenced and tariffs and service charges will be calculated in such a manner that the income generated covers the cost of the services or generates a profit;
- (e) Profits on trading and economic services may be used to subsidize community and other services;
- (f) The provision for working capital for community and subsidized service must be equal to the non-payment of rates during the previous financial year and must not include any working capital provision relating to trading and economic services;
- (g) The income base of the municipality will be protected by limiting exemptions, rebates and reductions.

(h) The ability of a person to pay rates will be taken into account by the municipality.

In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates. In order to minimize major shocks to ratepayers the market values in the new valuation roll will be phased –in over the entire period of the valuation cycle.

(6) The exemptions, rebates and reductions will be determined annually during the budget process.

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

(1) The Chief Financial Officer shall, subject to the guidelines provided by the National Treasury and Mayoral Committee of the Council, make provisions for the following classification of services:

(a) Trading services

(i) Water

(ii) Electricity

(iii) Holiday resorts

(b) Economic services

(i) Refuse removal

(ii) Sewerage disposal

(c) Community services

(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, funeral parlours and cremation
- (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) Streets trading/street lighting
- (xxv) Traffic and parking
- (xxvi) Building control
- (xxvii) Licensing of motor vehicles and transport permits
- (xxviii) Licences – Drivers' and learners' renewal of
- (xxix) Nature reserves

- (d) Subsidised services
 - (i) Health and ambulance
 - (ii) Libraries and museums
 - (iii) Proclaimed roads

(2) Trading and economic services must be ring fenced and financed from service charges while community and subsidized services will be financed from rates.

(3) Expenditure will be classified in the following categories:

- (i) Salaries, wages and allowances
- (ii) Bulk purchases
- (iii) General expenditure
- (iv) Repairs and maintenance
- (v) Capital charges (interest and redemption) / depreciation
- (vi) Contribution to fixed assets
- (vii) Contribution to funds
 - (a) Doubtful debts
 - (b) Working capital; and

(c) Statutory funds

(viii) Contribution to reserves

(4) Cost centres will be created to which the costs associated with providing the service can be allocated:

(i) By Department

(ii) By Section/service; and

(iii) By Division/service.

(5) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

SECTION B

CATEGORIES OF PROPERTY

7. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES

(1) The Council may levy different rates to different categories of rateable property. All rateable property will be classified in a category and will be rated based on the category of the property. For purposes of levying differential rates based on the use, permitted use or geographical area of the properties in terms of section 8(1) read with sections 3(3)(b) and 3(3)(c) of the Act, the following categories (including clarification of category) of properties are determined:

Ref no	Category	Clarification
1	Residential properties	As per definition of "residential properties".

2	Undeveloped vacant residential properties	All properties (i) zoned or in respect of which the permitted use is for residential purposes; and (ii) are undeveloped; and (iii) are vacant; and (iv) are within a proclaimed township or a land development.
3	Business and Commercial properties	As per definition of “business and commercial property”.
4	Undeveloped vacant business and commercial properties	All properties (i) zoned or in respect of which the permitted use is for business and commercial purposes; (ii) are undeveloped; and are (iii) vacant; and (iv) within a proclaimed township or a land development area.
5	Industrial properties	As per definition of “industrial properties”.
6	Undeveloped vacant industrial properties	All properties (i) zoned or in respect of which the permitted use is for industrial purpose; (ii) are undeveloped; and (iii) are vacant; and (iv) within a proclaimed township or a land development area.

7	Agricultural properties	Properties primarily used for agricultural purposes.
8	Vacant agricultural properties	Agricultural properties which are vacant.
9	State-owned properties	All properties owned by Provincial and / or National Government or an organ of State, excluding all properties that fall under the definition of Public Benefit Properties and municipal properties.
10	Vacant State-owned properties	Properties owned by the Provisional and /or National Government or an organ of State, excluding all properties that fall under the definition of Public Benefit Properties and Municipal Properties which are undeveloped.
11	Protected areas	As per definition of “protected area”.
12	Municipal properties	All properties of which the municipality is the owner or which property vests in the municipality but excludes such properties owned by or vested in the Municipality which is used for residential and / or commercial purposes.

13	Public Service Infrastructure	As per definition of “public service infrastructure”.
14	Public Benefit Organization Properties	As per definition of “Public Benefit Properties”.
15	Servitudes	Real or personal rights, whether registered or not, of one person over the property of another person, which impedes or encumbers the latter’s normal rights of ownership in respect of such property.
16	Public monuments and memorials	Monument and memorials (i) erected on land belonging to any branch of central, provincial or local government, or on land belonging to any organization funded by or established in term of the legislation of such a branch of government; or (ii) which were paid for by public subscription, government funds, or a public-spirited or military organization, and are on land belonging to any private individual.
17	Township title properties	Erven in newly proclaimed townships in respect of which certificates of registered title have not been issued.

18	State trust land	As per definition of "State Trust Land".
19	Communal land	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 Deeds.
20	Exclusive use area used for business purposes	A right contemplated in section 25 or 27 of the Sectional Titles Act, 95 of 1986, registered against the sectional title unit, which is used for business purposes.
21	Exclusive use area used for residential purposes	A right contemplated in section 25 or 27 of the Sectional Titles Act, 95 of 1986, registered against the sectional title unit, which is used for residential purposes.
22	Exclusive use area used for industrial purposes	A right contemplated in section 25 or 27 of the Sectional Titles Act, 95 of 1986, registered against the sectional title unit which is used for industrial purposes.
23	Properties used for multiple purposes	Properties used for multiple purposes and not assigned to any other category where the property

		cannot readily be categorized by referring to the permitted or dominant use of the property.
24	Place of worship and / or vicarage	Properties registered in the name of and used primarily as a place of 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 the place of worship.
25	Mining Properties	Properties used for mining operations as defined in the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);

- (2) Owners of properties who are of the view that their property has been categorized incorrectly may apply to the Council in writing for the category to be reviewed. The Council has the right to request documentary evidence and/or to request the municipal valuer to conduct a physical inspection of the property in order for the municipal valuer to review the category and to amend the valuation roll accordingly, if the review is successful.
- (3) The Council shall exercise its powers by apportioning the market value of a property to the different purposes for which the property is used for.

- (4) If no "Certificate of occupancy" is available or can not be produced the property will be categorized as un-developed or vacant.

SECTION C

DIFFERENTIAL RATING

8. Criteria for differential rating on different categories of properties

The following has been taken into consideration for the purpose of differential rating:

- 8.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- 8.2 Undeveloped or vacant land will be rated higher (in terms of a Cent amount in a Rand) as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purpose by owners.
- 8.3 Promotion of social and economic development of a municipality.
- 8.4 Differential rating among the various property categories will be done by way of setting different Cent amount in the Rand for each property category rather than by way of reductions and rebates.

SECTION D

RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

9. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTION

The following categories of owners of properties or the owners of a specific category of properties have been identified for the purpose of exemptions, rebates and reductions:

- (1) Household owners who are registered as indigents in terms of the adopted policy of Council;
- (2) Owners dependant on pension or a social grant for their livelihood.
- (3) Disabled and medically unfit owners;
- (4) Owners who qualify as having poor households;
- (5) Owners of residential properties with a market value lower than an amount determined by the Municipality;
- (6) Undeveloped properties which are in the process of development;
- (7) Property owned by the Municipality;
- (8) Property owned by the State;
- (9) Owners of property that fall under the ambit of Housing Development Schemes for retired persons Act 65 of 1988;
- (10) Owners of properties primarily used as premises by a sports club for a *bona fide* sporting activity or activities;
- (11) An owner of a property situated within an area affected by a disaster within the meaning of the Disaster Management Act 2002, (Act 57 of 2002);

- (12) Property owned by a public benefit organization and used for any specified public benefit 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.;
- (13) Owners of properties used for bona fide agricultural purposes and
- (14) Properties owned by an Organisation that fall under the ambit of the Non Profit Organisation Act, 71 of 1997.

Whilst some categories of property and categories of owners are granted relief with regard to the payment of rates, no relief shall be granted in respect of the payment for rates to any category of owner of property or to owners of properties on an individual basis, and any relief granted shall only be by way of an exemption, rebate or reduction, as provided for in this Policy.

In granting exemptions, rebates and reductions to the categories of properties and categories of owners, the Council recognizes the following factors:

- (a) 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 provide;
- (b) The need to accommodate indigents and less affluent pensioners and persons dependant on a nominal income due to medical incapacitation or other factors as may be determined by Council from time to time;
- (c) The services provided to the community by public service organisations;
- (d) 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;

- (e) The need to preserve the cultural heritage of the local community;
- (f) The need to encourage the expansion of public service infrastructure;
- (g) 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; and
- (h) The requirements of the Act.

10. GRANTING OF EXEMPTIONS, REBATES AND REDUCTIONS

Compulsory and mandatory exemptions will be in line with Section 17 of the Local Government: Municipal Property Rates Act, 2004.

10.1 Exemptions

The following categories of property are exempted from rates:

- (a) The following types of property owned by or vested in the Council are exempt from rates:
 - (i) Public service infrastructure owned by the Council or a service provider, including Public service infrastructure vested in the Council;
 - (ii) Refuse tip sites;
 - (iii) Municipal burial grounds and adjacent public space within the burial ground precinct and municipal crematoria;
 - (iv) Property used for the provision of public parks and zoned as Public open space and included undeveloped municipal property which is for the purposes of this Policy deemed to be public open space;

(v) Property used for cultural, sporting and recreational facilities other than property subject to a registered lease;

(vi) Municipal housing schemes.

(b) The criteria and reasons applied to the exemptions are that these properties are owned by or vested in the Council and used for public purposes.

(c) Residential Properties:

In line with Section 17(1)(h) of the Local Government: Municipal Property Rates Act, No. 6 of 2004 on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by Council.

10.2 Reductions

The Council shall determine reductions to be applied to the market value of properties from time to time. The criteria and reasons applied to the reductions will be to allow a fixed reduction on the market valuation of:

10.2.1 All properties categorized as residential properties in order to alleviate the tax burden on all owners of residential property within the municipality. In addition to the impermissible rates described in section 17(1)(h) of the Act a further R135 000 reduction on the market value of a property will be granted.

10.2.2 All properties categorized as undeveloped vacant residential properties, in order to encourage development of residential areas by the private sector. A reduction on the first R40 000 of the market value of the property will be granted.

10.3 Rebates

In terms of section 15 of the Act:

- (a) All residential properties shall be granted a uniform rebate of 30% on the cent in the rand amount payable on the property, as determined by the Council during the annual budget process.
- (b) On application all properties owned by juristic persons that fall under the ambit of the Housing Development Schemes for Retired Persons Act 65 of 1988 will be granted a rebate on the cent in the rand amount payable on the property that is equal to the rate ratio of 1:0.25 as determined by council during the annual budget process. The juristic person shall pass the rebate benefit to registered holders of a right of occupation, failing which the council may apply full rating with retrospective effect to the date on which council applied the rebate.
- (c) All state owned properties (excluding properties falling in the category for Public Benefit Properties) as defined in this policy shall be granted a 20% rebate on the cent in rand amount payable on the property, as determined by council during the annual budget.
- (d) On application all properties owned and primarily used as premises by a sports club for a *bona fide* sporting activity or activities which entails an activity involving physical exertion and skill in which an individual or team competes against another or others and which sports club is registered / affiliated to the relevant sport association or federation, shall be granted a rebate on the cent in the rand amount payable on the property that is equal to the rate ratio of 1:0.25 as determined by council during the annual budget process.
- (e) Pensioners, disabled and/or medically unfit as well as owners with poor households in respect of all properties used for residential purposes (indigent persons are addressed in Indigent

Policy) shall be granted an additional rebate expressed as a percentage on the amount of the rate payable on the property, as determined by the Council from time to time, based on the following criteria:

i) A rebate based on the gross monthly income may be granted in addition to the rebates mentioned in (a) above to registered owners of residential properties who qualify according to the gross monthly household income of all persons proven usually residing on that property.

ii) To qualify for the rebate a property owner must:

- Be a natural person;
- Be the registered owner of the property;
- Occupy the property as his/her primary residence on a full time basis;
- Complete a prescribed application form obtainable from the Municipality.
- Obtain written confirmation from the Municipality that such application was successful.

iii) The following shall also apply:

- If the residence is vacated or the applicant passes away or an applicant reaches the age of 60 during the year, the rebate shall be calculated *pro rata* as from such date;
- Submission of the following documentation as proof:
 - Copy of identity document or other acceptable form of personal identification;
 - Pension card;

- Bank statements for last three months or other official financial proof of income as may be requested; and
 - Payslips for the last three months;
- iv) Additional rebates are only applicable to applicants whose municipal accounts are paid in full;
- v) Medically unfit persons who have not been declared unfit by a pension fund must submit the necessary proof that they have been declared unfit for daily work related activities together with supporting evidence from two registered medical practitioners;
- vi) Disabled persons who have not been declared disabled must submit the necessary proof that they have been declared unfit for daily work related activities together with supporting evidence from two registered medical practitioners;
- vii) Applications who meet all the criteria may receive the rebate from date of receipt of application;
- viii) The rebate will be valid until the end of the financial year, and applications must be submitted annually;
- ix) If the applicant owns other properties for which a market related rental or any other market rental is obtained the rental will form part of the gross monthly household income;
- x) If permitted use of a property in this category changes during a financial year, any rebate is forfeited from the date of approval by the Council of such change;
- xi) Pensioners must be 60 years and older;

xii) Additional rebates will be suspended if the applicant fails/neglects to comply with subparagraphs (ii) to (xi) mentioned above; and

xiii) The gross monthly household income levels and maximum rebates applicable to a financial year shall be determined by the Council during the annual budget process:

Gross monthly household income	% Rate rebate
R0.00 to Indigent threshold	100%
Indigent threshold to R5000.00	90%
More than R5000.00 to R5 500.00	80%
More than R5 500.00 to R6 000.00	70%
More than R6000.00 to R6 500.00	60%
More than R6 500.00 to R7 000.00	50%
More than R7000.00 to R7 500.00	40%
More than R7 500.00 to R8 000.00	30%
More than R8000.00 to R8 500.00	20%
More than R8 500.00 to R9000.00	10%

(f) Development incentives

Owners of undeveloped properties which are in the process of being developed shall be granted a rebate of 50% on the cent in the rand amount of the rate payable on the property, as determined by the Council from time to time, provided the following criteria are met:

(i) All applicants must complete a standard application form obtainable from the Municipality and must declare under oath that:

- * Building plans have already been submitted to the Municipality for approval but not yet approved due to a delay on the side of the Municipality; or
- * Building plans have been approved by the Municipality and construction has already started; or

- * Building plans were submitted but development is not possible due to:
 - Municipal services not available to commence with development (Water, electricity and sanitation, etc.);
 - The fact that the Municipality has not yet approved applications for example re-zoning, township applications, etc.

(ii) Rebates will only be applicable:

- * If the standard application is approved;
- * For a 12 months period where after the applicant must re-apply.

(iii) In the event that the property is sold prior to completion of development, the new owner must inform the Municipality and re-apply accordingly.

(iv) The Municipality reserves the right to refuse or reverse any rebate if the details submitted in the application are incomplete, incorrect, or false.

(v) Unregistered erven (Township title properties) shall not be rateable until first registration takes place or a certificate of registered title has been issued by the Registrar of Deeds.

(g) All applications for indigency will be dealt with in accordance to Council's approved Indigent Policy.

(h) An owner of a property situated within an area affected by a disaster within the meaning of the Disaster Management Act 2002, (Act 57 of 2002), shall be entitled to an exemption, rebate and/or reduction in rates in respect of such affected property, as

determined or recommended by National or Provincial Government and as adopted by the Council.

- (i) On application property owned by a public benefit organisation and used for any specified public benefit 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 shall be granted an rebate in line with the latest promulgated rate ratio's, (1:0.25).
- (j) Owners of agricultural properties (used for bona fide farming purposes) shall be granted a rebate on the general rate that is in line with the promulgated rate ratio on properties used for agricultural purposes (1:0.25), SARS directive and Tax assessment will be main requirements.
- (k) On application properties owned by an organisation that fall under the ambit of the Non Profit Organization Act, 71 of 1997 shall be granted a rebate on the cent in the rand amount payable on the property that is equal to the rate ration of 1:0.25 as determined by Council during the annual budget process. Must provide a tax clearance and through their financials show that the profits are used to the benefit of the Organization.
- (l) On application all properties in respect of which an endorsement has been registered in the Deeds Office in terms of Section 4C of the Housing Development Scheme for Retired persons Act, 65 of 1988 or which are registered in terms of Section 18 of the Older Persons Act, 13 of 2006 as a residential facility shall be granted a rebate on the cent in the rand amount payable on the property equal to the rate ratio of 1:0.25, as determined by Council during the annual budget process.

Except for items 3(a) and (c) applications must be submitted in prescribed form (Formal ELM application) by not later than 31 August each financial year. Applications received after 31 August of a financial year will be apportioned for that financial year. Persons who have submitted false information and/or false affidavits/and or failed to inform the Municipality of

any changes or amended use benefit will be withdrawn and the Municipality may take further appropriate action.

Under no circumstances shall the aggregate of rebates and reductions for which an owner or property qualifies, exceed 75% of the rates payable in respect of such an owner/property, but for the application of the rebate and/or reduction, excluding 8.3(e).

11. OTHER EXEMPTIONS

11.1 On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship in terms of section 17(1)(i) of the Act. The exemption is applicable also on a property registered in the name of and used primarily as a place of public worship by a religious community that do not erect buildings.

11.2 State properties that provide local service are exempted from rating for example public schools and clinics, police stations.

11.3 Municipal properties that are not leased or rented out by the municipality

12. COST TO MUNICIPALITIES DUE TO EXEMPTION, REBATES, REDUCTIONS, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO MUNICIPALITIES

The cost to the municipality of having granted the relief measures (exemptions, rebates and reductions) short of qualifying such costs in Rand and Cent are reflected in the annual budget report.

The following will be the benefit of granting relief measures to the municipality:

- 12.1 Promote local economic development including attracting business investment, for example small business establishment.
- 12.2 Creation of employment for municipal residents.
- 12.3 Promotion of service delivery, for example by farmers.
- 12.4 Poverty alleviation to the indigents.
- 12.5 Social development and moral development, for example, by religious institutions, sports institutions, schools and other non governmental organisations which promote health and other benefit to the community.
- 12.6 Improved local economic growth.

The cost to the municipality of having granted the relieve measures will be reported to relevant parties as required by Legislation.

SECTION E

RATES INCREASES/DECREASE

13. CRITERIA FOR INCREASING OF RATES

The municipality will consider increasing property rates levies annually during the budget process:

- (1) The Municipality will in determining the rate levy increase take the following into consideration:
 - (a) To treat persons liable for rates equitably;

- (b) Take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them.
 - (c) Priorities of a municipality reflected in its Integrated Development Plan.
 - (d) The revenue needs of the municipality.
 - (e) A need for management of rates shocks.
 - (f) Affordability of rates to ratepayers.
- (2) All increases in the property rates levied will be communicated to the local community in terms of the council's IDP and Budget community participation process.

SECTION F

LIABILITY FOR RATES

14. LIABILITY FOR RATES BY PROPERTY OWNERS

14.1 Method and time of payment

Emfuleni Local Municipality will recover the rate levied in twelve equal monthly installments over the relevant financial year. The installment is payable on or before the 7th day of every month, following the month in which it has been levied or the due date as per the municipal statement, whichever is the earlier. Interest will be charged on the arrear amount due for rates payable at the interest rate determined by the Council.

14.2 Annual Payment Arrangements

Owners of rateable properties may choose to pay the annual rates in one installment on or before the 7th October of the particular financial

year. The property owner must notify the municipal manager or his/her nominee by no later than 30 June in any financial year, or such later date in the financial year as determined by the municipality, that he/she wishes to pay all rates in respect of such property for a particular financial year in one installment, after which such an owner shall be entitled to pay all rates in the subsequent financial year and all subsequent financial years annually until he/she withdraws this notice in similar manner.

Rates payable on an annual basis will be subject to a 5% discount if paid in full on or before the 7th October of the particular financial year.

14.3 Recovery of arrear rates from tenants, occupiers and agents

If an amount due for rates levied in respect of a property is unpaid after the due date, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount that the municipality may recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount which the municipality recovers from the tenant or occupier of the property must be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner. The Municipality may only recover such rates from the tenant or occupier after it has served a written notice to this effect on the tenant/occupier.

The municipality may recover the amount due for rates from any agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of that rent received by the agent or person, less the commission due to that agent or person subject to the Estate Agents Affairs Act, 1976 (Act No 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent

on the property received by that agent or person during a period determined by the municipality.

14.4 Clearance Certificate

All monies collected, including any estimated amount for the duration of the validity period of the clearance certificate, are for the purposes of section 118 (1A) of the Municipal Systems Act, or section 89 of the Insolvency Act, 1936 (Act 24 of 1936), deemed to be due and must be paid in order to facilitate the transfer of immovable property. (See *Steve Tshwete Local Municipality v Fedbond* [2013] ZASCA 15 (20 March 2013) where the SCA ruled that clearance must be given, in case of insolvency, for 2 years preceding the date of application for clearance, not 2 years preceding date of sequestration).

14.5 Property rates payable by owners of agricultural property

If the joint property owners are not traceable with the exception of one joint owner and such joint owner is occupying or using a small portion of the entire property, the municipality will hold that joint owner liable for that portion of rates levied on the entire property that represents that joint owner's undivided share in that property.

b) Method and time of payment

- The municipality will recover rates on a monthly basis.
 - Annual rates must be paid in monthly installments to the municipality at the end of each month.
 - A municipality makes provision for the recovery of rates on a monthly basis, subject to conditions outlined in the credit control policy of the municipality.
- c) Deferral of payment of rates liabilities The municipality will consider each and every application for deferral of rates,

taking into account the merits and demerits of each and the financial implications thereof in so far as the cash-flow of the municipality is concerned.

15. RATE RATIOS

The Council may not levy different rates on residential properties except as provided for in the Act. The concept of differential rating means that the rate (cent in the rand amount) is not constant across all category of property. The residential rate will be use as the base rate and the other rates determined in relation to the residential rate, calculated on the ratios between the categories. The Council shall determine ratio's from time to time bearing in mind the prescribed ratios and statutory prescripts. The proposed rate ratios as per category of property for the 2015/2016 financial year are:

Ref no	Category	Rate Ratio
1	Residential properties	1:1
2	Undeveloped vacant residential properties	1:2
3	Business and Commercial properties	1:2
4	Undeveloped vacant business and commercial properties	1:2.5
5	Industrial properties	1:2.5
6	Undeveloped vacant industrial properties	1:3
7	Agricultural properties	1:0.25
8	Vacant agricultural properties	1:0.25
9	State-owned properties	1:2
10	Vacant State-owned properties	1:2.5
11	Protected areas	1:0
12	Municipal properties	1:1
13	Public Service Infrastructure	1:0.25
14	Public Benefit Organization Properties	1:0.25
15	Servitudes	1:0.25
16	Public monuments and memorials	1:0
17	Township title properties	1:0

18	State trust land	1:0
19	Communal land	1:0
20	Exclusive use area used for business purposes	1:2
21	Exclusive use area used for residential purposes	1:1
22	Exclusive use area used for industrial purposes	1:2.5
23	Properties used for multiple purposes	Per use
24	Place of worship and / or vicarage	1:0
25	Mining properties	1:2

16. AMOUNT DUE FOR RATES

A rate levied by the municipality on property will be an amount (cent in the Rand) on the market value of the property as determined by Council during the annual budget preparations. The amount (cent in the Rand) for the 2015/2016 financial year will be as follows:

Ref no	Category	Rate Ratio	Rate payable (Cent in the Rand)
1	Residential properties	1:1	R0.01059
2	Undeveloped vacant residential properties	1:2	R0.02118
3	Business and Commercial properties	1:2	R0.02118
4	Undeveloped vacant business and commercial properties	1:2.5	R0.02648
5	Industrial properties	1:2.5	R0.02648
6	Undeveloped vacant industrial properties	1:3	R0.03177
7	Agricultural properties	1:0.25	R0.00265
8	Vacant agricultural properties	1:0.25	R0.00265
9	State-owned properties	1:2	R0.02118
10	Vacant State-owned properties	1:2.5	R0.02648
11	Protected areas	1:0	R0.0
12	Municipal properties	1:1	R0.01059

13	Public Service Infrastructure	1:0.25	R0.00265
14	Public Benefit Organization Properties	1:0.25	R0.00265
15	Servitudes	1:0.25	R0.00265
16	Public monuments and memorials	1:0	R0.0
17	Township title properties	1:0	R0.0
18	State trust land	1:0	R0.0
19	Communal land	1:0	R0.0
20	Exclusive use area used for business purposes	1:2	R0.02118
21	Exclusive use area used for residential purposes	1:1	R0.01059
22	Exclusive use area used for industrial purposes	1:2.5	R0.02648
23	Properties used for multiple purposes	Per use	
24	Place of worship and / or vicarage	1:0	R0.0
25	Mining properties	1:2	R0.02118

17. PHASING IN OF RATES

17.1 The rates to be levied on newly rateable property shall be phased in as provided for in Section 21 of the Act.

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

- First year : 75% of the relevant rate;
- Second year : 50% of the relevant rate; and
- Third year : 25% of the relevant rate

18. FREQUENCY OF VALUATIONS

The municipality will make a general valuation of all properties and prepare a valuation roll every 3 (three) years or for any other period as determined by the Council from time to time but in total not for more than 4 financial years.

19. DATE OF VALUATIONS

For the purposes of property valuation the Council determines the date of valuation as 1 July. The valuation date for the 2014/2017 general valuation roll is 1 July 2013 and the valuation roll was prepared by the designated municipal valuer and implemented 1 July 2014.

20. INSPECTION OF AND OBJECTIONS TO AN ENTRY IN THE VALUATION ROLL

- (1) Once the Council has given notice that the valuation roll is open for public inspection, any person may within the inspection period, inspect the roll during office hours and may on payment of a reasonable fee as prescribed by the Council, request the municipality during office hours to make extracts from the roll and may further lodge an objection with the Municipal Manager against any matter reflected in, or omitted from, the roll.
- (2) The Municipal Manager or an official designated by him/her must assist an objector to lodge an objection if that objector is unable to read or write.
- (3) Objections must be in relation to a specific individual property and not against the valuation roll as such;
- (4) The lodging of an objection shall not defer liability for the payment of rates beyond the date determined for payment; and

- (5) All objections received shall be dealt with in accordance with the Act.
- (6) No electronic, e-mail, facsimile or late objections will be accepted.

21. SPECIAL RATING AREAS

The municipality may by resolution of its council:

- (a) Determine an area within that municipality as a special rating area;
- (b) Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
- (c) Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).

22. REMUNERATION OF VAB MEMBERS

Conditions of service and remuneration of chairperson and members of the Valuation Appeal Board must be in line with Gazette No. 29595 dated 8th February 2007.

23. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into accounts public comments and inputs.

24. THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year, 1 July 2015.

ADDENDUM

LEGAL REQUIREMENTS THAT ALL MUNICIPALITIES MUST COMPLY WITH IN TERMS OF THE MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO. 6 OF 2004) WITH REGARD TO RATES POLICY DEVELOPMENT

This addendum does not contain all provisions of the Act that must be complied with in the development of rates policy, but list just a few provisions key provisions that the municipality deems it necessary for residents/ratepayers to be aware so that they get a full picture of rating issues that will affect them.

1) IMPERMISSIBLE RATE

A municipality may not levy a rate on the following in terms of section 17(1) of the Act:

- On the first R15 000.00 of the market value of public service infrastructure.
- Any part of the seashore in terms of section (17(1)(b) of the Act.
- Any part of the territorial waters of the Republic in terms of section 17(1)(c) of the Act.
- Any island of which the state is the owner in terms of section 17(1)(d) of the Act.
- Protected areas in terms of section 17(1)(e) of the Act.
- Mineral rights in terms of section 17(1)(f) of the Act.
- Properties belonging to land reform beneficiaries in terms of section 17(1)(g) of the Act.
- On the first R15 000.00 of the market value of residential in terms of section 17(1)(h) of the Act. .
- Religious institutions in terms of section 17(1)(i) of the Act.

2) COMPULSORY PHASING IN OF CERTAIN RATES

Rates levied on a newly rateable property must be phased in over a period of three or four years depending on the ownership and use of such a property in terms of section 21 of the Act.

3) PRESCRIBED RATIOS

The municipality will comply with the ratios set by the Minister of Provincial and Local Government in concurrence with the Minister of Finance in terms of section 19 of the Act.

4) LIMITS ON ANNUAL INCREASES OF RATES

The municipality will comply with the notice issued by the Minister of Provincial and Local Government in concurrence with the Minister of Finance regarding the set upper limit on the percentage by which rates on properties or a rate on a specific property may be increased in terms of section 20 of the Act.