

**MANGAUNG**  
**METROPOLITAN MUNICIPALITY**



**PROPERTY RATES POLICY**

**(FINAL DRAFT FOR COUNCIL APPROVAL)**  
**30 MAY 2013**

**FOR IMPLEMENTATION ON 1 JULY 2013**



INDEX

1.	Objective.....	2
2.	Legislative Context.....	2
3.	Definitions.....	3
4.	Policy Principles.....	7
5.	Scope of the Policy.....	8
6.	Application of Policy.....	8
7.	Categories of Property.....	8
8.	Categories of owners.....	9
9.	Differential Rating.....	10
10.	Exemptions and Impermissible Rates.....	10
11.	Reductions.....	12
12.	Rebates.....	12
13.	Payment of Rates.....	14
14.	Frequency of valuation.....	15
15.	Community participation.....	15
16.	Register of properties.....	16
17.	By-laws to give effect to the rates policy.....	16
18.	Regular review process.....	16
19.	Enforcement / Implementation.....	17



**MANGAUNG METROPOLITAN MUNICIPALITY - PROPERTY RATES POLICY**

**1. OBJECTIVES**

The objectives of this policy are to ensure that-

- a. All ratepayers within a specific category are treated equally and reasonably;
- b. Rates are levied in accordance with the market value of the property;
- c. The rate will be based on the value of all rateable property and the amount required by Council to expenditure of rates related services reflected in the operational budget, taking into account any surpluses generated from Council services and the amounts required to finance exemptions, reductions and rebates that the municipality may approve from time to time;
- d. To optimally safeguard the income base of the municipality by only approving exemptions, reductions and rebates that is reasonable and affordable.

**2. LEGISLATIVE CONTEXT**

- 2.1 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.
- 2.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 2.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
  - a. Section 2(1), may levy a rate on property in its area; and
  - b. Section 2(3), must exercise its power to levy a rate on property subject to-
    - i Section 229 and any other applicable provisions of the Constitution;
    - ii the provisions of the Property Rates Act and any regulations promulgated in terms thereof; and
    - iii the rates policy.
- 2.4 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.
- 2.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the Municipal Manager must ensure that the municipality has and implements a rates policy.
- 2.6 This policy must be read together with, and is subject to the stipulations of the Local Government:

Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.

### 3. DEFINITIONS

3.1 **“Act”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) ) and any amendment thereof;

3.2 **“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;

3.3 **“Annually”** means once every financial year;

3.4 **“Business Property”** , means -

(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or

(b) property on which the administration of the business of private or public entities take place;

3.5 **“Category”**

(a) in relation to property, means a category of properties determined in terms of Section section 8(2); &

(b) in relation to owners of properties, means a category of owners determined in terms of section 15(2).

3.6 **“Child-headed household”** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.

3.7 **“Definitions, words and expressions”** as used in the Act are applicable to this policy document where ever it is used;

3.8 **“Exclusion”** in relation to a municipality's rating power, means a restriction of that power as provided for in section 16 and 17 of the Act.

3.9 **“Exemption”** - in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15(1)(a) of the Act.

3.10 **“Farm property or small holding used for agricultural purpose”** – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes;

- 3.11 3.12 **“Guesthouses”** means accommodation in a dwelling-house or second dwelling where at least 3 to 10 rooms are used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests;
- 3.13 **“Municipality”** means the **Mangaung Metropolitan Municipality**;
- 3.14 **“Public service infrastructure”** means publicly controlled infrastructure of the following kinds:
- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
  - (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
  - (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
  - (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
  - (e) railway lines forming part of a national railway system;
  - (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
  - (g) runways or aprons 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
  - (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).
- 3.15 **“Market value”** in relation to a property, means the value of the property determined in accordance with section 46 of the Act.
- 3.16 **“Municipal Properties”** refers to property that is registered in the name of the Municipality and property vested by usage in the name of the Municipality whether it is used by the Municipality itself or made available to other entities without cost or in terms of a rental agent
- 3.17
- 3.18 **“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.
- 3.19 **“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 (d) of the definition of ‘**property**’ means the organ of state which owns or controls that public service infrastructure as envisaged in the definition in the Act of the term ‘**publicly 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 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; 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.

3.20 “**Person**” includes an organ of state

3.21 “**private open space**” means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area;

3.22 “**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 in terms of legislation; or
- (d) public service infrastructure;
- (e) Where improvements encroach over common boundaries of properties or where the utility of property achieve its highest and best use jointly with other property, the City Valuer will nominate one of those properties as the “Parent” property. The other property/ies will be linked to this property in the Valuation Roll and will be referred to as “Child/ren”. This economical unit will be valued as a single property, in conformity to the realities of the market. To accommodate the Mangaung billing system the total value will then be split as follow:



- (i) A nominal value of not more than the individual land value only, will be entered on each "Child" property,
- (ii) The sum of all the "Child" nominal values will be subtracted from the total value,
- (iii) The balance will be entered against the "Parent" property
- (iv) The category classification of "child/ren" will follow that of the "parent" property regardless of actual use.

- 3.23 **"Privately owned townships serviced by the owner"** – means single properties, situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and/or sectional units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate;
- 3.24 **"Rebate"** in relation to a rate payable on property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;
- 3.25 **"Reduction"**, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating at that lower amount.
- 3.26 **"Residential property"** means a building designed for, or containing provision for human habitation, together with such outbuildings are ordinarily used therewith.
- (a) is used exclusively for residential purposes
  - (b) Is a unit registered in terms of the Sectional Title Act and used exclusively for residential purposes.
  - (c) Is owned by a share-block company and used solely for residential purposes.
  - (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
  - (e) Retirement schemes and life right schemes used exclusively for residential purposes.
- And specifically exclude hostels, guest houses and vacant land irrespective of its zoning or intended use.
- 3.27 **"State owned Property"** refers to property used or owned by the State other than public service infrastructure
- 3.28 **"Student Dwelling"** A dwelling or part of a dwelling used for accommodation of a maximum of 10 students on a site with a maximum size of 1 100m<sup>2</sup>, a maximum of 12 students on a site that varies between 1 101m<sup>2</sup> – 1 500m<sup>2</sup> and a maximum of 14 students on a site bigger than 1 500m<sup>2</sup>, receiving instruction at a place of instruction or adult instruction, subject to the provisions of sub-sections 18.2 (read with Table IV), 18.6. A second dwelling can be permitted on the premises on condition that no restrictive conditions are registered in the relevant title deed that prohibits the development of a second dwelling on the site. In the case of two dwellings on one erf the maximum accommodation allowed will be for a total of 14 students (depending the size of the erf). Cognition must be taken that no detached rooms will be permitted on the premises.
- 3.29 **"Vacant land"** means any land on which no immovable improvements have been erected.

#### 4 POLICY PRINCIPLES

- 4.1 Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's anti-corruption policy.
- 4.2 The levying of rate on a property is an exclusive right of the Municipality which will be exercised: –
- (a) optimally and comprehensively within the Municipality; and
  - (b) with consideration of the total revenue source of the Municipality.
- 4.3 The rating of properties will be done independently, justly, equitably and without prejudice and this principle will also be applied with the determination of criteria for exemptions, reductions and rebates as provided for in section 15 of the Act.
- 4.4 The levying of property rates must be implemented in such a way that: -
- (a) it is aimed at development;
  - (b) it promotes sustainable local government by providing a stable and constant revenue source within the discretionary control of the Municipality; and
  - (c) it promotes economic, social and local development.
- 4.5 Property rates will be levied to: –
- (a) correct the imbalances of the past; and
  - (b) minimise the effect of rates on the indigent.
- 4.6 The market value of a property serves as basis for the calculation of property rates.
- 4.7 The rate tariff will be based on the value of all rateable properties and the amount the Municipality needs to fund community and subsidised services, after taking into account any possible surplus generated from trading and economic services and the amounts required to finance exemptions, rebates and reductions of rate, as approved by council from time to time.
- 4.8 Trade and economic services will be financially ring fenced and tariffs and service charges will as far as possible be calculated in such a way that the revenue generated covers the cost of the services or generate a surplus.
- 4.9 The provision for operating capital and bad debt must be related to community and subsidised services and must not include any provisions in respect of trade and economic services.
- 4.10 Property rates will be used to finance community and subsidised services.
- 4.11 Surpluses from trade and economic services may be used to subsidise community and subsidised services.
- 4.12 The revenue basis of the Municipality will be optimally protected by limiting the exemptions, rebates and reductions.

- 4.13 The Chief Financial Officer must, subject to the guidelines provided by the National Treasury and Mayoral Committee of council, make provision for the following categories of municipal services: –
- (a) Trade services
  - (b) Economic services
  - (c) Community services funded from Property Tax

## 5. SCOPE OF THE POLICY

- 5.1 This policy document guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

## 6. APPLICATION OF THE POLICY

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

## 7. CATEGORIES OF PROPERTY

- 7.1 Subject to section 19 of the Act, the Mangaung Municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable properties, which may include categories 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.

- 7.2 Categories of rateable property that must be determined in terms of paragraph 7.1 include the following: –

7.2.1 Residential properties

7.2.2 Business properties

7.2.3 Commercial and Industrial properties

7.2.4 Farm properties used for –

- (i) agricultural purposes;
- (ii) other commercial or business purposes; or
- (iii) residential purposes

7.2.5 smallholdings used for –

- (i) agricultural purposes;
- (ii) residential purposes;
- (iii) industrial purposes;

7.2.6 State owned properties;

7.2.7 Municipal properties;

7.2.8 Public service infrastructure referred to in the Act;

7.2.9 Private Open Space

7.2.10 Parks and Recreation

7.2.11 Vacant Land:

- (i) empty stands with zoning or proposed use earmarked for residential;
- (ii) empty stands with zoning or proposed use earmarked for industrial, business or commercial;

7.2.12 Privately developed estates.

7.2.12 Guesthouses

7.2.13 Student Dwelling

7.2.14 Public Facilities

7.2.15 Sectional Title

## **8. CATEGORIES OF OWNERS**

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

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

- (b) Those owners who do not qualify as indigent in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
- (c) Owners of property situated within an area affected by-
  - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
  - ii. serious adverse social or economic conditions.
- (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
- (e) Owners of farm properties used for agricultural purposes and
- (f) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.
- (g) Owners of farm properties that are used for residential purposes;
- (h) Owners of farm properties that are used for industrial, commercial and business purposes;
- (i) Owners of smallholdings used for residential purposes;
- (j) Owners of smallholdings used for industrial, commercial and business purposes; and
- (k) Owners of developed properties not yet sold and transferred.

## 9. DIFFERENTIAL RATING

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

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

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

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

## 10. EXEMPTIONS AND IMPERMISSIBLE RATES

10.1 The following property categories are exempt from the payment of property rates: –

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers. However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates.

(a) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. For the 2013/2014 financial year the maximum reduction is determined as R70 000. The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R55 000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

(c) Public Service Infrastructure

Is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

10.2 Exemptions in 10.1 will automatically apply and no application is thus required.

10.3 Impermissible Rates: In terms of section 17(1) of the Property Rates Act the municipality may, inter alia, not levy a rate:-

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

10.4 Public Benefit Organisations (PBO's)

Public Benefit Organisation Property means property owned by public benefit organisations 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.

10.5 All possible benefiting organisations in clause 10.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 31 March for the financial year

prior of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year starting on 01 July each financial year.

- 10.6 Public benefit organisations must attach a SARS 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) to all applications.
- 10.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 10.8 The extent of the exemptions implemented in terms of 10.1 to 10.4 must annually be determined by the municipality and included in the annual budget.

## 11. REDUCTIONS

- 11.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-
  - 11.1.1 Partial or total destruction of a property.
  - 11.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).
- 11.2 The following conditions shall be applicable in respect of 12.1:-
  - 11.2.1 The owner referred to in 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.
  - 11.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).
  - 11.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both 12.2.1 and 12.1.2. For the 2013/2014 financial year the maximum reduction is determined as 80%.
  - 11.2.4 An *ad-hoc* reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

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

## 12. REBATES

### 12.1 Categories of owners

Indigent owners and child headed families will receive a 100% rebate from rates:-

(a) Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality. If qualifying in terms of the indigent policy this 100% rebate will automatically apply and no further application is thus required.

(b) Privately owned towns serviced by the owner

The municipality may grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.14 of this policy.

All applications must be addressed in writing to the municipality by 31 March of the financial year prior to the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2013/2014 financial year no rebate is extended to this category and this category shall be treated the same as category dealing with Residential Properties in section 7.2.1 above.

(c) Agricultural property rebate

i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-

- a. the extent of rates related services rendered by the municipality in respect of such properties.
- b. the contribution of agriculture to the local economy.
- c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and
- d. the contribution of agriculture to the social and economic welfare of farm workers.

(ii) In terms of section 84 of the Act the Minister for Provincial and Local Government, and in occurrence of the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such



- promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties).
- iii. An additional rebate of maximum 10% in total will be granted by the municipality in respect of the following:-
    - a. 2,5% for the provision of accommodation in a permanent structure to to full-time farm workers and their dependents or families.
    - b. 2,5% if such residential properties are provided with potable water.
    - c. 2,5% if the farmer for the farm workers electrifies such residential properties.
    - d. 2,5% for the provision of land for burial to own farm workers and educational and recreational purposes to own farm workers as well as people from surrounding farms.
  - iv. The granting of additional rebates is subject to the following: –
    - a. All applications must be addressed in writing to the Municipality indicating how service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once-off requirement.
    - b. Any new applications must be addressed in writing to the Municipality by 31 August of the financial year in respect of which the application is made. If the rebate applied for is granted the rebate will apply for the full financial year and such application will again be regarded as a once-off requirement. Applications received after 31 August for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved.
    - c. Council reserves the right to send officials or its agents on an annual basis to premises/households receiving relief for the purposes of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original applications.
    - d. The Municipality retains the right to refuse applications for rebates if the details supplied in the application form were incomplete, incorrect or false.
  - v. No other rebates will be granted to properties that qualify for the agricultural rebate. For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in clause 11.1(b) of this policy.
- (d) Child headed families
- i. Families headed by children will receive a 100% rebate for paying rates, according to monthly household income. To qualify for this rebate the head of the family must:-
    - a. occupy the property as his/her normal residence;
    - b. not be older than 18 years of age;
    - c. still be a scholar or jobless; and
    - d. be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality. For the 2013/2014 financial year this

amount is determined to equal to two state pensions as promulgated by National Minister of Finance in his Budget for 2013/14 financial year.

- ii. The family head must apply on a prescribed application form for registration as a child headed household and must be assisted by the municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

(e) Retired and Disabled Persons Rate Rebate

Retired and disabled persons qualify for special rebates in accordance with their monthly household income. Property owners who meet the following requirements may apply for a rebate:-

- (i) The property must be registered in the name of the applicant or the usufruct of the property must be established in the name of the applicant.
- (ii) The owner must be at least sixty (60) years of age or in receipt of a disability pension from the Department of Welfare and Population Development.
- (iii) The property owner may not be the owner of more than one property.
- (iv) The owner must occupy the relevant property. Where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- (v) In the case of a semi-detached house, of which a section is rented out, only the rates paid on that section occupied by the owner is subject to rebates.
- (vi) If the owner is a disabled person who receives a disability grant from the government or a person who, due to medical reasons, had to take early retirement, the age requirement as in section 12.2.(c)(ii) will not apply.
- (vii) The Municipality grants a rebate, to be determined on an annual basis, for retired and disabled persons that do not qualify in terms of Council's approved Indigent policy
- (viii) Property owners must apply for a rebate on a prescribed form as stipulated by the Municipality, and these applications must reach the Municipality before 31 March of the financial year in respect of which rates are levied. If the rebate applied for is granted, the rebate will apply for the full financial year. Applications received after 31 March for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved.
- (ix) The Municipality retains the right to refuse the granting of rebates if the details supplied in the application were incomplete, incorrect or false.
- (x) Applications as intended in paragraph (viii) must be accompanied by the following information: –
  - (a) a certified copy of the identity document of the owner or any other proof of the owner's age which is acceptable to the Municipality;
  - (b) sufficient proof of income of the owner and the his/her spouse;

- (c) an affidavit from the owner;  
if the owner is a disabled person, satisfactory proof submitted to the Municipality that the relevant person receives a disability pension payable by the state; and
- (xi) proof of early retirement if the owner has retired at an earlier stage due to medical reasons.
- (xii) The rebate on the first R250 000 of the rateable value for residential properties of qualifying senior citizens and disabled persons will only be applicable on properties with a value that does not exceed R2 000 000. (Two million Rands only).
- (xiii) The municipality retains the right to refuse the rebate or exemption if the details supplied in the application form were incomplete, incorrect or false.

(e) Bloemduinia

- i. Council may grant a rebate to rateable properties situated in Bloemduinia
- ii. In determining the annual rebate the municipality shall take into consideration all relevant and applicable circumstances

12.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

12.4 The extent of the rebates granted in terms of 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

**13. PAYMENT OF RATES**

13.1 Payments will be dealt with in accordance with the provisions of the municipality's Credit Control, Debt Collection and Indigent policies.

13.2 Interest shall be paid to Council on rates which have not been paid within 30 days from the date on which such rates become due at a rate of 1% higher than the prime rate for the period during which such rates remain unpaid after the expiry of the said period of 30 days. Compounded interest will be levied.

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

- (i) the amount due for rates payable,
- (ii) the date on or before which the amount is payable,
- (iii) how the amount was calculated,
- (iv) the market value of the property, and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

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

13.5 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

#### **14. FREQUENCY OF VALUATION**

14.1 The Municipality shall prepare a new valuation roll at least every four (4) years.

14.2 In accordance with the Act the municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the Province to extend the validity of the valuation roll to five (5) years.

14.3 Supplementary valuations shall be done on a continual basis, but at least on an annual basis, in order to ensure that the valuation roll is maintained.

#### **15. COMMUNITY PARTICIPATION**

15.1 Before council commands a new valuation in terms of the Act, a consultation process involving all interest groups will be undertaken during which the purpose and method of valuation will be explained.

15.2 Before the Municipality accepts the rates policy the municipal manager will follow a process of public participation, as prescribed in chapter 4 of the Municipal Systems Act, and comply with the following requirements: –

15.3 Display the draft property rates policy continuously for a period of thirty (30) days at the Municipality's head office, satellite offices and on the website.

15.4 Publish a notice in the media stating that the draft property rates policy was compiled for submission to council and that such a policy is available at the different municipal offices and on the website for public inspection.

15.5 Property owners and interested persons may obtain a copy of the draft policy from the municipal office during office hours at a prescribed cost per copy.

15.6 Property owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice.

15.7 Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.

#### **16. REGISTER OF PROPERTIES**

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

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

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

- i Exemption from rates in terms of section 15 of the Property Rates Act,
- ii Rebate or reduction in terms of section 15,
- iii an exclusion referred to in subsection 17 (1) (a), (e), (g), (h) and (i)

16.4 The register will be open for inspection by the public at the following pay points during office hours and on the website of the Municipality.

- Bram Fischer Pay Point, 5 De Villiers Street;
- Heidedal Pay Point, Da Vinci Crescent, Heidedal;
- Regional Office Pay Point, Rocklands;
- Central Park Pay Point, Central Park Shopping Centre, Fontein Street, Bloemfontein;
- Civic Centre Pay Point, Civic Centre, Stasie Street, Thaba Nchu, and
- Reahola Pay Point, Reahola Centre, Botshabelo.

16.5 The Municipality will update Part A of the register on a continuous basis by way of a supplementary valuation process.

16.6 The Municipality will update Part B on an annual basis as part of the implementation of the municipality's annual budget.

## 17. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

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

## 18. REGULAR REVIEW PROCESS

The Property Rates Policy must be reviewed on an annual basis to ensure that it complies with the strategic objectives of the Municipality, as stipulated in the Integrated Development Plan and other applicable legislation.

## 19 ENFORCEMENT / IMPLEMENTATION

19.1 This policy has been approved by the Municipality in terms of resolution .....dated ..... and comes into effect from 1 July 2013.

