



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

REVENUE MANAGEMENT

22 October 2021

Ref: 5/3/1/1/2

Council Item No

The Speaker

Compilation of a new Municipal Valuation Roll for the period 1 July 2022 until 30 June 2026

1. Background

A municipality must exercise its power to levy a rate on property subject to section 229 and any other applicable provisions of the Constitution, Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), Local Government Municipal Property Rates Act (Act 6 of 2004) and the approved Council Policy.

In terms of the Municipal Property Rates Act (Act 6 of 2004), every municipality in the country is obliged to prepare a valuation of all properties within its area of jurisdiction, at least every 4 years. The purpose of such frequent valuations is to ensure an equitable and just basis for the payment of rates and taxes to the municipality.

2. Deliberation of the report

The current valuation roll was implemented on 1 July 2017 and the four-year term as per the Municipal Property Rates Act, 2004 (Act No 6 of 2004) expired on 30 June 2021.

On 15 December 2020 approval has been received from the Honourable MEC: COGTA for the extension of the validity of the 2017 General Valuation roll to five financial years so that it expires on 30 June 2022. However, it has been specifically noted that the Honourable MEC is empowered to grant one such extension for a particular General Valuation Roll. Subsequently a new General Valuation Roll must be implemented on 1 July 2022.

Due to complications as a result of the national lockdown it was not possible to appoint a Valuer for the compilation of a valuation roll for implementation on 1 July 2021.



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3. Determining of a date of valuation

In terms of section 31(1) of the Municipal Property Rates Act a municipality must, for the purposes of a general valuation, determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be implemented. For the 2022/2023 – 2026/2027 Valuation Roll, a date of 1 December 2021 is suggested as the valuation date as per the Act and the implementation date as 1 July 2022.

4. Designation of Municipal Valuer

Section 33 of the Municipal Property Rates Act, 2004 (Act 6 of 2004), determines that a municipality must, before the date of valuation, designate a person as Municipal Valuer. In terms of section 33(1) a municipality may designate either one of its officials or a person in private practise as its Municipal Valuer. As indicated above, Messrs DDP Valuers has been appointed for the compilation of the 2022 valuation roll.

Mr Reinier van Niekerk has been appointed as the designated Municipal Valuer. He is registered as a Professional Valuer with the South African Council for the Property Valuers Profession (SACPVP) since 16 March 2011. He is also a member of the following Professional Boards namely Past Executive Member of the Northern Branch - South African Institute for Valuers (SAIV) as well as the Valuation Appeal Board (VAB) Member for Dr Ruth Segomotsi Mompati District Municipality, North West Province.

He has completed a National Diploma in Property Valuations and possess over a National Diploma: Real Estate Property Valuation as well as a degree in Property Valuation at the University of South Africa (UNISA). He has been in the property valuations arena for 24 years. Reinier has conducted valuations on all types of property, and has also conducted compilation and review of Asset Registers in terms of Generally Recognised Accounting Practice (GRAP). He has vast experience over property valuations eg. Compilation of General Valuation Rolls, Commercial and Agricultural Valuations, Compilation of Supplementary Valuation Rolls, Section 52 Review and Decisions, Section 53 Reasons, Municipal Valuer appearing before Valuation Appeal Board (VAB), Assistance in the compilation of Court Papers in the High court of SA.

In terms of section 33(3) a municipality must issue to the person designated as its Municipal Valuer an identity card in the prescribed format containing a photograph of that person and further the Municipality reserve the right to withdraw the designation of a person as its Municipal Valuer based on the following grounds:

- Misconduct, incapacity or incompetence;
- Non-compliance with a provision of this Act;



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- Under-performance; or
- Breach of contract, in the case of the designated person above.

Due to a variety of stipulations as indicated below, it will be necessary that the Valuer submit the newly compiled valuation roll to the Municipal Manager on or before 31 January 2022.

Stipulations

- Processing of objections
- Compulsory review of the decisions of the Municipal Valuer
- Notification of outcome of objections and furnishing of reasons
- Right of Appeal
- Adjustments or additions to the valuation roll

The five (5) month period before the new valuation roll will come into effect (1 July 2022) will be sufficient time to deal with stipulations of the Property Rates Act and the Property Rates Policy.

Recommendations

It is therefore recommended that:

- (a) In terms of section 31(1) of the Municipal Property Rates Act no 6 of 2004, determine 1 December 2021 as the date of valuation and 1 July 2022 as the date of implementation of the new valuation roll.
- (b) That the new certified valuation roll be submitted to the Acting Municipal Manager on or before 31 January 2022.
- (c) That Mr Reinier van Niekerk be designated as the empowered Municipal Valuer

Submitted by:

Mr S Mofokeng
CFO

Recommended by:

S More
Acting Municipal Manager

Approved by:

Cllr M Siyonzana
Executive Mayor