

**MANGAUNG
METROPOLITAN MUNICIPALITY**



**PROPERTY RATES POLICY
FOR IMPLEMENTATION: 1 JULY 2026**

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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 fund expenditure of rates related services reflected in the operational budget, considering 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 (Act no 6 of 2004), as amended, 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 (Act No 6 of 2004), as amended, 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, 200 (Act 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 (Act 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 (Act No 6 of 2004), as amended, and any regulations promulgated in terms thereof from time to time.

3. DEFINITIONS

3.1 “Act” means the Local Government: Municipal Property Rates Act (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) make payments in respect of the property on behalf of the owner;

3.3 “Agricultural property” means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game.

3.4 “Annually” means once every financial year.

3.5 “Business and Commercial Property”, means-

(a) property used for the activity of buying, selling, or trading in commodities or services and includes offices, crèches, private hospitals, private clinics, cell phone and Telkom towers and hotels; or

(b) Property on which the administration of the business of private or public entities take place.

(c) Properties used for the purpose of trading and hunting of game

3.6 “Category”

(a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and

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

3.8 “Child-headed household” means a household where the main caregiver of the said household is younger than 16 years of age. Child-headed household means a household headed by a child as defined in section 28(3) of the Constitution.

3.9 “Definitions, words and expressions” as used in the Act are applicable to this policy document wherever it is used.

- 3.10 “Exclusion”** in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17 of the Act;
- 3.11 “Exemption”** in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15 of the Act;
- 3.12 “Guesthouses”** (Properties used for accommodation and hospitality purposes) means a dwelling, or individual units, where rooms are leased on a short-term basis which may include catering facilities for guests that stay overnight and with a maximum of 10 rooms housing not more than 16 guests. Facilities making provision for more than 10 rooms or for more than 16 guests in total, falls under the description of a hotel
- 3.13 “indigent”** means any household or category of households, earning a combined gross income, as determined by the Municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates/remissions, support, or a service subsidy, provided that child support grants are not included when calculating such household income.
- 3.14 “Industrial property”** means a branch of trade or manufacturing, production, assembling or processing of finished or practically finished products from raw materials or fabricated parts. This includes grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such a property;
- 3.15 “Improvements encroaching over boundaries”** means where improvements encroach over common boundaries of properties or where the utility of property achieve its highest and best use jointly with other property;
- 3.16 “Market Related Rental”** means the rental amount that a willing lessee and a willing lessor would realise in the open market;
- 3.17 “Market Value”** in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- 3.18 “Mining Property”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002)
- 3.19 “Multi-Purpose”** in relation to a property, means the use of a property for more than one purpose subject to Section 9 of the Act;
- 3.20 “Municipality”** means the Mangaung Metropolitan Municipality;
- 3.21 “Municipal Properties”** refers to a property that is registered or vested by usage in the name of the Municipality;
- 3.22 “Non-Market Related Rental”** Where the contracted rental is less than the market-related rental.

3.23 “Non-permitted use” as a property category for the levying of different rates, means any use of property that is inconsistent with or in contravention with the permitted use and correct zoning of such property in terms of the Town Planning or Land Use Scheme, as the case may be.

The definition is in relation to section 46(2) (b)& (c) of the Act; as depicted below

- (b) the value of any immovable improvement on the property that was erected or is being used for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the improvement was erected or is being used for a lawful purpose; and
- (c) the value of the use of the property for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the property is being used for a lawful purpose.

3.24 “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.

3.25 “Office bearer”, in relation to places of public worship, means the primary person who officiates at services at that place of worship;

3.26 “Official residence”, in relation to places of public worship, means: -

(a) a portion of the property used for residential purposes; or

(b) one residential property, if the residential property is not located on the same property as the place of worship’ Registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for an office bearer;

3.27 “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;

(bA) in relation to a time-sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;

(bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act 59 of 1980);

(bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;

(c) In relation to buildings, other immovable structures and infrastructure referred to in Section 17 (1)(f), means the holder of the mining right or the mining permit.

(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 of “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;
- viiA a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such a right; 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;

3.28 “permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of— (a) any restrictions imposed by— (i) a condition of title; (ii) a provision of a town planning or land use scheme; or (iii) any legislation applicable to any specific property or properties; or (b) any alleviation of any such restrictions;

3.29 “Person” includes an organ of state;

3.30 “Place of Public Worship”, means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is: -

- (a) registered in the name of a religious community; or

(b) registered in the name of a trust established for the sole benefit of a religious community;
or

(c) subject to land tenure right

3.31 “Property” means

(a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

(b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(d) Public Service Infrastructure properties;

3.32 Properties owned by an organ of state and used for public services purposes; means all other government properties not noted in terms of the definition of “Public Service Properties” without derogating from section 8(2) of the Act

3.33 “Public Benefit Organisations used for Specified Public Benefit Activities (PBO)” means property owned by public benefit organisations and used for any specific 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 of the Income Tax Act;

3.34 “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, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as obstacle free zone surrounding these, which must be vacant for air navigation purposes,

(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, 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);

(k) means land which is in private ownership and that is used primarily as a private site for outdoor sports, play, rest, or recreation, or as a park

(l) means a road or section of a road to be used by a specific landowner or group of landowners and normally will be governed by a Home Owners Association

3.35 “Public service purposes”, in relation to the use of a property, means property owned and used by an organ of state as—

(a) Hospitals or clinics;

(b) Schools, pre-schools, early childhood development centres or further education and training colleges;

(c) National and provincial libraries and archives;

(d) Police stations;

(e) Correctional facilities; or

(f) Courts of law, but excludes property contemplated in the definition of ‘public service infrastructure’;

3.36 “Ratio”, in relation to section 19 of the Act, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

3.37 “Rebate” in relation to a rate on property, means a discount granted in terms of section 15 of the Act on the amount of the rate payable on the property;

3.38 “Reduction”, in relation to a rate payable on 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;

3.39 “Residential Property” means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;

3.40 “Special Rating Area” Council may by Council resolution determine an area within the municipality as a special rating area, and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area;

3.41 “Student Dwelling” Means a dwelling or part of a dwelling used for accommodation for persons enrolled at a place of instruction or adult instruction that is subject to legislation-

(a) a maximum of 10 students on a site with a maximum size of 1 100m²

(b) a maximum of 12 students on a site that varies between 1 101m² - 1 500m²

(c) a maximum of 14 students on a site bigger than 1 500m², provided that detached rooms are not permitted;

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 on the size of the erf). Cognition must be taken that no detached rooms will be permitted on the premises

3.42 “Threshold” means the amount, determined from time to time by the Council during its annual budget process referred to in section 12 of the Act, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only;

3.43 “Township Development” this category of owners is for properties held under deed of title (Township Title) in respect of which a township register was opened but shall exclude those portions in respect of which a Certificate of Registered Title was issued by the Registrar of Deeds Office;

3.44 “Vacant Land” means land on which no immovable improvements have been erected excluding farm properties not used for any purposes as contemplated in section 8(2)(e) of the Act;

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 a 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 tariff rate 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 budget documents, 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, levy different rates for different categories of rateable property, as determined in section 8 subsection (2) of the Act, the categories were determined according to the following criteria—

7.1.1 Actual use of the property;

7.1.2 Permitted use of the property; or

7.1.3 a combination of 7.1.1 and 7.1.2.

7.2 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.

7.3 The Municipal Valuer of the Mangaung Metropolitan Municipality will be responsible for the categorising of the properties and the maintenance thereof, and any change in the actual use of the property, may result in the change of categories.

Categories of all rateable and non-rateable purposes are determined as follows:

7.3.1 Agricultural Properties;

7.3.2 Business and commercial properties;

7.3.3 Industrial Properties;

7.3.4 Mining Properties;

7.3.5 Municipal Owned Properties used for Municipal and Public Purposes;

7.3.6 Properties owned by an organ of state and used for public Service Purposes

- 7.3.7 Properties owned by Public Benefit Organisations and used for specified Public Benefit Activities (PBO);
- 7.3.8 Properties used for Multiple Purposes; (Including Small Holdings)
- 7.3.9 Properties used for Public Worship;
- 7.3.-10 Public Service Infrastructure Properties (PSI);
- 7.3.11 Residential Properties; vacant land (sect 8(3) of the Act)
- 7.3.12 Non-Permitted Use
- 7.3.13 Vacant land

8. CATEGORIES OF OWNERS

To grant exemptions, reductions and rebates in terms of clause 12, 13 and 14 of this Policy and in terms of section 15 (2) of the Act 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 monthly income is less than the amount annually determined by the municipality in its budget;
- (c) Owners' dependent on pensions or social grants for their livelihood;
- (d) Owners of property situated in 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.
- (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 smallholdings used for residential purposes, and
- (i) Owners of township developments

9. PROPERTIES USED FOR MULTIPLE PURPOSES

The following criteria will apply to the rating of multiple use properties within the Municipality:

- a. Apportionment of the market value of a property to the different purposes for which the property is used: and
- b. Application of the relevant rate to each of the components of the property, based on its value.

10. IMPROVEMENTS ENCROACHING OVER BOUNDARIES

- a) The Municipal Valuer must nominate the “Parent” property.
- b) The other properties, “Children”, will be linked to the “Parent”.
- c) The family of properties must be valued as an economic unit.
- d) The “Children” will have land values
- e) The category of the “Children” will be the same as the “Parent”

11. MUNICIPAL PROPERTIES

11.1 In terms of section 7(2)(a)(i) of MPRA no rates will be levied on property owned and used by the municipality. However, where municipal properties are leased, the lessee will be responsible for the payment of determined rental.

11.2 In instances where the rental is non-market related, property rates will be levied in addition to the contractual rental.

12. EXEMPTIONS AND IMPERMISSIBLE RATES

12.1 Public Service Infrastructure Properties:

Public Service Infrastructure properties as defined under section 1 of the Act read in conjunction with section 11(1)(b) and 17(1) be levied at market value less 30%. That a Public Service Infrastructure property be levied at the standard ratio of 1:0.25 of the tariff for residential properties and therefore an effective REBATE of 75% on the tariff for residential properties will apply. The following Public Service Infrastructure properties are however excluded in terms of section 17 (1) (aA) and therefore is considered impermissible to levy rates:

- 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) Railway lines forming part of a national railway system;
- d) Runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- e) A right registered against immovable property in connection with infrastructure mentioned in paragraphs a) to e) above.

12.2 Impermissible Rates:

In terms of section 17(1) of the 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, agricultural or residential purposes.
- (b) On mining rights or a mining permit within the meaning of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), excluding any building, other immovable structures and infrastructure above the surface of the mining property, required for the purposes of mining.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses
 - (i) ten years from the date on which such beneficiary's title was registered in the Office of the Registrar of Deeds or
 - (ii) upon alienation of the property by the land reform beneficiary or his or her heirs, dependents or spouse
- (d) on the first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality
 - (i) for residential purposes; or
 - (ii) for properties used for multiple purposes, provided one or more components of the property is used for residential purposes; or
- (e) On a property 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 the office-bearer of that community, who officiates at services at that place of worship.

- (f) The exclusion from rates of a property referred to in subsection 17 (1) (i) of the Act as amended, lapses if the property-
 - (i) is disposed of by the religious community owing it; or
 - (ii) is no longer used primarily as a place of public worship by a religious community or, in the case of an official residence contemplated in that subsection, is no longer used as such an official residence.
- (g) If the exclusion from rates of a property used as such an official residence lapses, the religious community owing the property becomes liable to the municipality concerned for any rates that, had it not been for subsection 17 (1) (i), would have been payable on the property, notwithstanding section 78, during the period of one year preceding the date on which the exclusion lapsed.
- (h) The amount for which the religious community becomes liable in terms of paragraph (g) must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality.

12.3 Public Benefit Organisations (PBO's):

12.3.1 All possible benefitting organisations must apply for exemptions. The status of the applications shall be applicable for the entire period of the valuation roll. All applications must be addressed in writing to the municipality by 30 June for the financial year prior to implementation of the tariffs as approved by the council. If the exemption applied for is granted, the exemption will apply for the entire general valuation roll period. The municipality reserves the right to continue to grant the exemption regardless of the renewal application provided that the municipal valuer confirms that the category use of the property has not changed.

12.3.2 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.

12.3.3 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

12.3.4 Municipal Properties (Except where non-market related rental is applicable in which case the property is categorised according to its use (i.e. residential, business, etc.)).

12.3.5 Properties owned by public benefit organisations and used for any specific public benefit activities as listed under Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act 58 of 1962) and in adherence to the requirements of the Council's Property Rates Policy.

12.3.6 Places of Public Worship.

12.3.7 Agricultural – That an agricultural property as defined in terms of the Council's approved rates policy BE LEVIED at the standard ratio of 1:0.25 of the tariff for residential properties and therefore an effective. REBATE of 75% on the tariff for residential properties will apply. It should be noted that NO ADDITIONAL REBATES shall be granted if this rebate applies.

13. REDUCTIONS

13.1 In addition to the impermissible rate on the first R15 000 of the market value of residential properties provided in section 17(1)(h) of the MPRA an additional reduction as per the tariff schedule will be applicable to all residential properties. In terms of this policy the municipal council has granted an additional Reduction amount of R165 000 on properties used for residential purpose. The total reduction amount on residential properties is R180 000.

13.2 Reductions as contemplated in section 15 of the Act will be considered on an ad-hoc basis in the event of the following: -

13.2.1 Partial or total destruction of a property;

13.2.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

13.3 The extent of the reductions implemented in terms of 13.1 to 13.2 must annually be determined by the municipality and included in the annual budget.

13.4 The following conditions shall be applicable in respect of 13.2: -

13.4.1 The owner referred to in 13.2.1 shall apply in writing for a deduction 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.

13.4.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act 57 of 2002).

13.4.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both 13.2.1 and 13.2.2. For the current financial year, the maximum reduction is determined as 80%.

13.4.4 An ad-hoc reduction will not be given for a period more than 6 months, unless the municipality gives further extension on application.

13.4.5 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.

That in terms of Section 15(1)(b) of the Act read with Council's Property Rates Policy, the Council grants, the following reduction in market value and rebates on the rate levied for the financial year 2025/2026 to any owner of ratable property in the following circumstances:

13.4.6 That in terms of section 17(h) of the Municipal Property Rates Act, No. 6 of 2004, read in conjunction with the Council's Property Rates Policy the impermissible value and reduction of the market value of a property assigned to the residential category in the valuation roll or supplementary valuation roll, BE DETERMINED as R 180 000.

13.4.7 Age / Senior Citizen and disabled persons – That in addition to the reduction and subject to requirements as set out in Council's Rates Policy, an ADDITIONAL reduction of R170 000 on the market value of qualifying senior citizens and disabled persons BE GRANTED.

The applicant must:

- i. be the registered owner of the property;
- ii. produce a valid identity document;
- iii. be at least 60 years of age upon application, approved disability grantee or approved medically boarded person;
- iv. not be in receipt of an indigent assessment rate rebate;
- v. resides permanently on the property as prescribed in Council's Property Rates Policy;
- vi. That the market value of the property does not exceed R 3 500 000.

14. REBATES

14.1 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 during the period while registered as an indigent.

(b) Agricultural Property Rebate

- i 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 agriculture properties as 1:0.25 (75% rebate on the tariff for residential properties).

- ii 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 exemption as set out in clause 13.1 of this policy.

(c) 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. occupies the property as his/her normal residence;
 - b. not be older than 16 years old 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 by the Municipality. For the current financial year this amount is determined to be equal to three state pensions as promulgated by National Minister of Finance in his Budget for the current financial year;
- ii The family head must apply on a prescribed 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.

(d) Retired and Disabled Persons Rate Rebate

Retired and disabled persons 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 sixty (60) years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
- iii The owner must occupy the relevant property. Where the owner is unable to occupy the property due to no fault of his own, the spouse or minor children may satisfy the occupancy requirement.

- iv In the case of a semi-detached house, of which a section is rented out, only the rates paid for that section occupied by the owner is subject to rebates;
 - v 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 14.1(d)(ii) will not apply.
 - vi 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 Indigent Policy;
 - vii Property owners must apply for a rebate on a prescribed form as stipulated by the municipality. If the rebate applied for is granted, the rebate will apply for the remainder of the financial year.
 - viii The Municipality retains the right to refuse the granting of rebates if the details supplied in the application were incomplete, incorrect or false.
 - ix 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) an affidavit from the owner
 - (c) 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
 - x proof of early retirement if the owner has retired at an earlier stage due to medical reasons
 - xi The rebate of the rateable value for residential properties of qualifying senior citizens and disabled persons as per the tariff schedule will only be applicable on properties with a value that does not exceed R3 500 000 (Three million and fifty Rands only).
 - xii The municipality retains the right to refuse the rebate or exemption if the details supplied in the application form were incomplete, incorrect or false.
- (f) Township Development – Owner of a township development property, BE REBATED 50% from amount levied on Property Rates.
 - (g) Child headed households – That a child headed household registered in terms of Council's approved rates policy, BE REBATED 100% from amount levied on Property Rates IF: - The total monthly income from all sources does not exceed an amount

equal to three state pensions (per month) as determined by the National Minister of Finance.

14.2 The extent of rebates granted in terms of 14.1 must annually be determined by the municipality and included in the annual budget.

15. SPECIAL RATING AREAS

15.1 A 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).

15.2 Before determining a special rating area, a municipality must-

- (a) Consult the local community, including on the following matters;
 - (i) The proposed boundaries of the area; and
 - (ii) The proposed improvement or upgrading of the area; and
- (b) Obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

15.3 When a municipality determines a special rating area, the municipality-

- (a) Must determine the boundaries of the area;
- (b) Must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
- (c) Must establish separate accounting and other record-keeping systems regarding-
 - (i) The revenue generated by the additional rate; and
 - (ii) The improvement and upgrading of the area; and
- (d) May establish a committee composed of persons representing the community in the area to act as a consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is considered when such a committee is established. Such a committee must be a subcommittee of the ward committee or committees in the area, if the municipality has a ward committee or committees in the area.

- 15.4 This section may not be used to reinforce existing inequities in the development of the Municipality and any determination of a special rating area must be consistent with the objectives of the municipality's integrated development plan.
- 15.5 This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal service district established in terms of that section of the Municipal Systems Act.

16. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

- 16.1 A rate levied by a municipality on a sectional title unit is payable by the owner of the unit or the holder of the right contemplated in section 25 and 27 of the Sectional Titles Act.
- 16.2 A municipality may not recover the rate on a sectional title unit, or any part of such rate, from the body corporate controlling a sectional title scheme, except when the body corporate is the owner of any specific sectional title unit.

17. PAYMENT OF RATES

- 17.1 Payments will be dealt with in accordance with the provisions of the municipality's Customer Care, Credit Control and Debt Collection Policy, including Indigent Policy.
- 17.2 Interest shall be paid to Council for rates in terms of Customer Care, Credit Control and Debt Collection Policy.
- 17.3 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.
- 17.4 A person liable for a rate must furnish the municipality with an address where correspondence can be directed to. A person is liable for the payment of a rate whether or not that person has received a written account. If a person has not received a written account, that person must make then necessary enquiries from the municipality.

- 17.5 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.
- 17.6 An objection or appeal lodged in terms of section 50(6) or section 54(4) of the Municipal Property Rates Act No 6 of 2004, as amended, does not defer a person's liability for payment of rates beyond the date determined for payment.

18 THE FREQUENCY OF VALUATION

- 18.1 The Municipality shall prepare a new valuation roll every four (4) years;
- 18.2 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.
- 18.3 Supplementary valuations shall be compiled on a continual basis, but at least on an annual basis, to ensure that the valuation roll is maintained.

19. COMMUNITY PARTICIPATION

- 19.1 Before Council commands a new valuation in terms of the Act, a consultation process involving all interested groups will be undertaken during which the purpose and method of valuation will be explained.
- 19.2 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: -
- i 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;
 - ii 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;
 - iii Property Owners and interested persons may obtain a copy of the draft policy from the municipal office during office hours;
 - iv Property Owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice;
 - v Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.

20. REGISTER OF PROPERTIES

- 20.1 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;
- 20.2 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;
- 20.3 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 Act;
 - ii Rebates or reductions in terms of section 15 of the Act;
 - iii An exclusion referred to in subsection 17(1)(a),(e),(g),(h),(and (i) of the Act.
- 20.4 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:
- i. • Bram Fischer Pay Point Cnr Nelson Mandela Drive and Markgraaff Street, Bloemfontein
 - ii. • Heidedal Pay Point Da Vinci Crescent, Heidedal
 - iii. • Leslie Monnanyane Pay Point Regional Office, Rocklands, Mangaung
 - iv. • Reahola Pay Point Reahola Centre, Botshabelo
 - v. • Civic Centre Pay Point, Thaba Nchu Civic Centre, Stasie Street, Thaba Nchu
 - vi. • Hostel no 1 Pay Point Dr Belcher Road, Heidedal, Bfn
 - vii. • Dewetsdorp pay point 20 Church Street, Dewetsdorp
 - viii. • Wepener Pay Point 20 De Beer Street, Wepener
 - ix. • Van Stadensrus Pay Point 372 Marthinus Street, Van Stadensrus
 - x. • Soutpan Pay Point 275 Nthunya Street, Ikgomotseng, Soutpan
- 20.5 The Municipality will update Part A of the register on a continuous basis by way of a supplementary valuation process.
- 20.6 The municipality will update Part A and Part B on an annual basis as part of the implementation of the Municipality's annual budget.

21. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

- 21.1 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.

22. REGULAR REVIEW PROCESS

22.1 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.

23. CONTACT DETAILS FOR COMMENTS

23.1 For any comments regarding the Property Rates Policy, please contact the following officials;

- I. Maria Malaku Tel (051) 405 8933 maria.malaku@mangaung.co.za
- II. Renee Coetzee Tel (051) 405 8944 renee.coetzee@mangaung.co.za
- III. Realeboha Mhlongo Tel (051) 4058277 realeboha.mhlongo@mangaung.co.za