

# WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY



## FINAL PROPERTY RATES POLICY

**2026/2027**

# CONTENTS

1. LEGISLATIVE CONTEXT .....	3
2. DEFINITIONS .....	4
3. BASIC INFORMATION FOR RATEPAYERS ON THE MUNICIPAL PROPERTY RATES ACT .....	10
4. POLICY PRINCIPLES .....	13
5. SCOPE OF THE POLICY .....	14
6. APPLICATION OF THE POLICY .....	14
7. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES .....	14
8. CATEGORIES OF PROPERTY .....	14
9. CATEGORIES OF OWNERS .....	15
10. PROPERTIES USED FOR MULTIPLE PURPOSES .....	15
11. DIFFERENTIAL RATING .....	16
12. EXEMPTIONS AND IMPERMISSIBLE RATES .....	16

# 1. LEGISLATIVE CONTEXT

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

## 2. DEFINITIONS

- 2.1. “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2. “**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;
- 2.3. “**Agricultural properties**”: In order for a property to be categorised to:
- 2.3.1. fall within the definition of Agricultural Property in the Act;
  - 2.3.2. be categorised by the Municipal Valuer as an Agricultural Property;
  - 2.3.3. be rated in accordance with the MPRRR in relation to the use of a 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 [a] the property for the purpose of eco-tourism or for the trading in or hunting of game;
- 2.4. “**day**” means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;”;
- 2.5. “**Annually**” means once every financial year;
- 2.6. “**Category**”
- (a) in relation to property, means a category of properties determined in terms of Section 7; and
  - (b) in relation to owners of properties, means a category of owners determined in terms of Section 8.
- 2.7. “**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.
- 2.8. “**Definitions, words and expressions**” as used in the Act are applicable to this policy document where ever it is used;

2.9. **“Industrial Development Zone”** is part of The South African Industrial Development Zone Programme, national government’s strategy to position the country within the global economy. The aim is to encourage international competitiveness and sustainable economic growth through strategic investments in export manufacturing industries. The Industrial Development Zones (IDZs) are purpose-built industrial estates, linked to an international port or airport, which have been specifically designated for new investment by export-oriented industries and related services. Companies established in an IDZ remain subject to all relevant South African legislation but qualify for an attractive range of industrial and support benefits, including investment incentives offered by government.

- (a) acquired the property through -
  - (i) the Provision of Land and Assistance Act No. 126 of 1993; or
  - (ii) the Restitution of Land Rights Act No. 22 of 1994;
- (b) holds the property subject to the Communal Property Associations Act No 28 of 1996;
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

2.10. **“Land tenure right”** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

2.11. **“Municipality”** means the Municipality of Winnie Madikizela Mandela;

2.12. **“Newly Rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding –

- (b) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (c) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

2.13. **“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 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
  - (iv) a judicial manager, in the case of a property in the estate of a person under
  - (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;

2.14. **“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.

2.15. **“Protected area”** means an area that is or has to be listed in the register referred to in section 10 of the Protected Area Act;

2.16. **“Protected Areas Act”** means the National Environmental Management: Protected Areas Act, 2003;

2.17. **“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 communication as 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) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

2.18. **“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';

2.19. **“Residential property”** means improved property that:-

- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly 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 predominantly (60% or more) for residential purposes;

And specifically exclude hostels, flats, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

2.20. **“Rural communal settlements”** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

2.21. **“Special State-Owned Properties”** properties that are owned by National and Provincial Government, used for public benefit purposes and as a rule do not trade regularly in a five-year valuation cycle.

2.22. **“state trust land”** means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights.

2.23. **“Vacant land”** means land where no immovable improvements have been erected.

2.24. **“Mining property”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);”;

- 2.25. “**multiple purposes**”, in relation to a property, means the use of a property for more than one purpose, subject to section 9;”
- 2.26. “**ratio**”, in relation to section 19, 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;”;
- 2.27. “**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 communication system serving the public;
  - g) Runways or apron 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) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a ) and (i)
- 2.28. “**Public Benefit Organization Property**” Means property owned by public benefit organizations 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
- 2.29. “**Specified public benefit activity**” means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act

### **3. BASIC INFORMATION FOR RATEPAYERS ON THE MUNICIPAL PROPERTY RATES ACT**

#### **3.1. What is the Municipal Property Rates Act?**

The Municipal Property Rates Act is a national law that regulates the power of a municipality to value and rate properties located within the boundaries of municipalities. Municipalities derive their power to levy rates from section 229(1) of the Constitution of the Republic of South Africa.

#### **3.2. How is the market value of the property determined?**

- a) The market value of the property is the amount the property would have realised if sold in the open market by a willing seller to a willing buyer on the date of valuation.
- b) To protect property owners, the law requires municipalities to employ the services of professional valuers who are registered as valuers in terms of the Property Valuers Profession Act, 2000 (Act No.47 of 2000).
- c) These valuers know how to value properties which have not yet been sold in terms of the principle of “willing seller to a willing buyer”, and they are well trained to ensure that all properties are valued fairly and objectively.

#### **3.3. How are objections against the market value of the property lodged?**

- a) After a municipality has completed its valuation of properties within its jurisdiction and produced a property valuation roll, the municipality invites members of the public to inspect the valuation roll within a stipulated timeframe, and to raise objections within a stipulated timeframe.
- b) The municipality makes the valuation roll available for inspection on different platforms (for example, municipal websites, municipal offices and/or municipal libraries). This allows each property owner to have access to the market value of his/her property.
- c) Should the property owner be not satisfied with the market value of his/her property reflected in the valuation roll, such property owner should approach his/her municipality to lodge objections citing reasons behind such objections.
- d) The law requires that the objector continues paying rates while his/her objections are being processed and finalised. Once objections have been considered if there is evidence that
- e) The market value reflected in the valuation roll is incorrect, the law requires the municipal valuer to correct the value. Where such correction results in rates refunds to the ratepayer,

- f) The municipality is obliged to refund the ratepayer. In a case where the ratepayer's property was undervalued, the ratepayer is obliged to pay the additional rates to the municipality.

### 3.4. What are municipal property rates?

- a) Municipal property rates are the financial liabilities that each property owner pays to the municipality where his/her property) is located.
- b) The financial liabilities for property rates are calculated by multiplying the market value of property by a cent amount in the Rand rate that a municipal council has determined.

*For example:*

*If the market value of property is R50 000, and the cent amount in the Rand rate is R0.015 (which is 1.5 cents, as determined by council annually as part of municipal budget tariffs), the amount due for property rates is  $R50\ 000 \times 0.015 = R750$  for the whole year, which means that every month the property owner will pay R62.50 (this is calculated by dividing R750 by 12 as the year has 12 months) to the municipality.*

*If the property in question is used as a residential property (home):*

*The cent amount in the Rand rate will be applied after deducting the first R15 000 of the market value of such residential property (this is a minimum requirement of the Municipal Property Rates Act), which means that the R0.015 will be applied to R35 000 rather than R50 000 (that is, R50 000 less R15 000*

*The rates payable by the homeowner will then be  $= R35\ 000 \times 0.015 = R525$  for the whole year, which means that every month the property owner will pay R43.75 to the municipality.*

### 3.5. What must ratepayers do to effectively participate in the implementation of the Municipal Property Rates Act?

- a) Chapter 4 of the Municipal Systems Act and section 4 of the Municipal Property Rates Act require that there be a culture of community participation in the affairs of the municipality.
- c) Ratepayers have a responsibility to engage with their municipalities when municipalities invite public comments/submissions/inputs on their proposed rates by laws, rates policies and proposed rates tariff schedule. The rates tariff schedule contains the cent amount in the Rand rate for property categories. The rates policies deal with issues such as relief measures to ratepayers such as granting of exemptions, rebates, and reductions for owners of categories of properties,
- d) Ratepayers should comply with the stipulated timeframes to lodge objections against individual properties if necessary when municipalities publicly announce that the valuation roll is open for inspection.
- e) Raising concerns after municipal councils have already approved municipal rates by laws, policies and rates tariff schedules or after expiry of the objections period will not

achieve meaningful results. Communities need to proactively and constructively engage with their municipalities on valuation and rating issues.

### 3.6. What is municipal property rates revenue used for?

a) Municipalities need a reliable source of revenue to provide basic services and perform their functions. Property rates are an important source of general revenue for municipalities.

b) Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households.

*These may include:*

*Installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and Operating parks, recreational facilities and cemeteries.*

c) Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

d) Municipal property rates are **set by municipal councils, collected, and used locally**. National and provincial governments do not have the power to levy rates, nor do they share in the revenue collected. Revenue from property rates is spent within a municipality, where the local community has a voice in decisions on how the revenue is spent as part of the IDPs and budget processes, which municipalities invite the community to make inputs prior to the municipal council's adoption of the budget.

### 3.7. Where can you get more information on the Municipal Property Rates Act?

f) The Municipal Property Rates Act and supporting documentation is available on the website of the Department responsible for local government.

g) Given that the MEC responsible for local government in a province, has a general monitoring function as to whether municipalities within the province comply with the Municipal Property Rates Act, if communities are not getting responses to concerns on valuation and rating issues from their municipalities, such communities are at liberty to contact their respective Provincial Departments responsible for local government.

## 4. POLICY PRINCIPLES

4.1. Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.

4.2. As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.

4.3. There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.

4.4. In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:

(a) Equity

The municipality will treat all ratepayers with similar properties the same.

(b) Affordability

The ability of a person to pay rates will be considered by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.

(c) Sustainability

Rating of property will be implemented in a way that:

- i. revenue source within the discretionary control of the municipality;
- ii. Supports local, social and economic development; and
- iii. Secures the economic sustainability of every category of ratepayer.

(d) Cost efficiency

Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on economic (refuse removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

## **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. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES**

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

(a) Economic services

i. Refuse removal.

(b) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a).

7.2. Economic services as referred to in clause (a) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (b) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

## **8. CATEGORIES OF PROPERTY**

8.1. Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget: -

8.1.1. Residential properties;

8.1.2. Industrial properties;

8.1.3. Business and commercial properties;

8.1.4. Agricultural property;

8.1.5. Public service infrastructure properties;

8.1.6. Properties owned by Public Benefit Organisations and used for specified public benefit activities;

8.1.7. Mining Property;

8.1.8. Properties owned by an organ of state and used for public service purposes:

8.2. In determining the category of a property referred to in 8.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.

8.3. Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9 of this policy.

## **9. CATEGORIES OF OWNERS**

9.1. 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 indigents in terms of the adopted indigent policy of the municipality;
- (b) Those owners who do not qualify as indigents 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; and
- (e) Owners of agricultural properties as referred to in clause 13.1 (b).
- (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.

## **10. PROPERTIES USED FOR MULTIPLE PURPOSES**

10.1. Rates on properties used for multiple purposes will be levied in accordance with the “dominant use of the property”.

## 11. DIFFERENTIAL RATING

- 11.1. 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 social and economic development of the municipality.
- 11.2. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category; and
- 11.3. By way of reductions and rebates as provided for in this policy document.

## 12. EXEMPTIONS AND IMPERMISSIBLE RATES

- 12.1. The following categories of property are exempted from 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 in accordance with the lease agreement.

b) 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 2024/2025 financial year the maximum reduction is determined as R55 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 R40 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.

d) Right registered against a property

Any right registered against a property as defined in clause 2.14(b) of this policy is exempted from paying rates.

e) Properties exempted in terms of Section 7(2) of the Act

In accordance with section 7(2) of the Act all non-urban residential properties is exempted from paying rates for the financial year. However, state owned property

identified within this area such as schools, clinics, police stations, etc will be valued and levied accordingly. These state-owned properties should be surveyed and have title deeds as a strict condition, otherwise they will also be exempt.

12.2. Exemptions in clause 12.1 will automatically apply and no application is thus required.

12.3. 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.

12.4. Public Benefit Organisations (PBO’s)

Considering the effects of rates on PBOs performing a specific public benefit activity and registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, Public Benefit Organizations may apply for the exemption of property rates. Public Benefit Organizations may include, inter alia:-

(a) *Welfare and humanitarian*

For example, PBOs providing disaster relief.

(b) *Health Care*

For example, PBO’s providing counselling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.

(c) *Education and development*

For example, PBO’s providing early childhood development services for pre-school children.

(d) *Sporting bodies*

Property used by an organization for sporting purposes on a non-professional basis:

(e) *Cultural institutions*

Property used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

(f) *Museums, libraries, art galleries and botanical gardens*

Property registered in the name of private persons, open to the public and not operated for gain.

(g) *Animal welfare*

Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

(h) *Cemeteries and crematoriums*

Property used for cemeteries and crematoriums.

(i) *Welfare institutions*

Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or cafeteria facilities; provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

(j) *Charitable institutions*

Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.

12.5. All possible benefiting organisations in clause 12.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by **31 August** for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.

12.6. 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.

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

12.8. The extent of the exemptions implemented in terms of clauses 12.1 to 12.4 must annually be determined by the municipality and included in the annual budget.

## 13. REDUCTIONS

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

13.1.1. Partial or total destruction of a property. Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

13.2. The following conditions shall be applicable in respect of clause 13.1:-

13.2.1. The owner referred to in clause 13.1.1 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.

13.2.2. 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).

13.2.3. A maximum reduction to be determined on an annual basis shall be allowed in respect of both clauses 13.1.1 and 13.1.2. For the financial year the maximum reduction is determined as 80%.

13.2.4. An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

13.2.5. 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.

## 14. REBATES

14.1. **Categories of property**

14.1.1. Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply: -
  - a. job creation in the municipal area;
  - b. social up-liftment of the local community; and
  - c. creation of infrastructure for the benefit of the community.

- ii. A maximum rebate as annually determined by the municipality will be granted on approval, subject to: -
  - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
  - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and
  - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.
- iii. All applications must be addressed in writing to the municipality by **31 August** for 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.

#### 14.1.2. 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 consider: -
  - 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 concurrence with 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). For the 2009/2010 financial year the minister has promulgated a ratio of 1:0.25 which will remain valid in 2023/2024.
- iii. An additional rebate (based on the total property value) of maximum 10% will be granted by the municipality in respect of the following:-

- a. 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants.
  - b. 2,5% if these residential properties are provided with potable water.
  - c. 2,5% if the farmer for the farm workers electrifies these residential properties.
  - d. 2,5% for the provision of land for burial to own farm workers or for educational or recreational purposes to own farm workers as well as people from surrounding farms.
- vi. 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. Any new applications for the current financial year and onwards must be addressed in writing to the municipality by **31 August** for 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 and such application again regarded as a once off requirement.
- b. Council reserves the right to send officials or its agents to premises/households receiving relief on annual basis for the purpose 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 application.
  - c. The municipality retains the right to refuse the exemption 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 above of this policy.

#### 14.2. **Categories of owners**

Indigent owners and child headed families will receive a (RATE AS DETERMINED BY THE COUNCIL) rebate from payment of property tax:-

##### a) Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a rebate

from payment of property tax. If qualifying in terms of the indigent policy this rebate will automatically apply and no further application is thus required by the owner.

b) Child headed families

- i. Families headed by children will receive a (Rate as determined by the Council) rebate for paying property tax, 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.
- 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.

c) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
  - a) occupy the property as his/her normal residence;
  - b) be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
  - c) be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);
  - d) not be the owner of more than one property; and
  - e) provided that 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.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-
  - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
  - b. sufficient proof of income of the owner and his/her spouse;
  - c. an affidavit from the owner;

- d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
  - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iii. All applications must be addressed in writing to the municipality by 31 August for 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 current financial year the total monthly household income and corresponding rebate is determined as follows:-
- a. R0 to R2 500 per month - 100%.
  - b. R2 501 to R5 000 per month - 50%.
  - c. R5 001 to R8 000 per month - 20%.
- iv. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 14.3. 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.
- 14.4. The extent of the rebates granted in terms of clauses 14.1 and 14.2 must annually be determined by the municipality and included in the annual budget.

## 15. PAYMENT OF RATES

- 15.1. The rates levied on the properties shall be payable: -
- a) on a monthly basis; or
  - b) annually, before **30 September each year**.
- 15.2. Ratepayers may choose paying rates annually in one instalment on or before **30 September each year**. If the owner of property that is subject to rates, notify the municipal manager or his/her nominee in writing not later than **30 June** in any financial year, or such later date in such financial year as may be determined by the municipality that he/she wishes to pay all rates annually, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year annually until such notice is withdrawn by him/her in a similar manner.
- 15.3. The municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.

- 15.4. Rates payable on an annual basis, excluding annual rates levied on state owned properties, will be subject to a discount of **10%** if paid in full on or before 30 September of each year.
- 15.5. Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.
- 15.6. If a property owner who is responsible for the payment of property rates in terms of this policy fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection By-law of the Municipality.
- 15.7. Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.
- 15.8. Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 15.9. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

## **16. ACCOUNTS TO BE FURNISHED**

- 16.1. 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.
- 16.2. 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.

- 16.3. 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. PHASING IN OF RATES

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

- 17.2. The phasing-in discount on the properties referred to in section 21 shall be as follows:-

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

- 17.3. No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-

- First year: 100% of relevant rate;
- Second year: 75% of the relevant rate
- Third year: 50% of the relevant rate; and
- Fourth year 25% of the relevant rate

## 18. FREQUENCY OF VALUATION

- 18.1. The municipality shall prepare a new valuation roll at least every **5 (Five) 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 5 (five) years.

- 18.3. Supplementary valuations may be done on a continual basis but at least on an annual basis.

## 19. COMMUNITY PARTICIPATION

- 19.1. Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:-
- 19.1.1. Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities.
- 19.1.2. Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.
- 19.1.3. Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.
- 19.1.4. Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
- 19.1.5. Council will consider all comments and/or representations received when considering the finalisation of the rates policy.
- 19.1.6. The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

## **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 Property Rates Act,
  - ii. Rebate or reduction in terms of section 15,
  - iii. Phasing-in of rates in terms of section 21, and

- iv. Exclusions as referred to in section 17.
- 20.4. The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5. The municipality will update Part A of the register during the supplementary valuation process.
- 20.6. Part B of the register will be updated 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 of properties liable for the payment of rates.

## **22. REGULAR REVIEW PROCESSES**

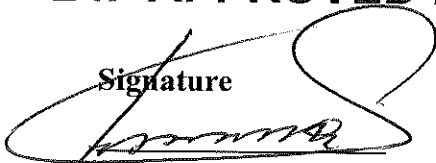
- 22.1. The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with legislation.

## **23. ENFORCEMENT / IMPLEMENTATION AND ENQUIRIES**

- 23.1. This policy has been approved by the Municipality in terms of Council resolution and comes into effect on 01 July 2026.

## **24. APPROVED BY**

Signature



**Municipal Manager**

Date

29/05/2026