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**NOTICE 119 OF 2025
OUDTSHOORN MUNICIPALITY
RESOLUTION ON LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY
2025 TO 30 JUNE 2026**

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, that the Council resolved by way of Council Resolution number 60.12/6/25 to levy the rates on different property categorisation reflected in the schedule below with effect from 1 July 2025

Category of property	Rate Ratio	Cent amount in the Rand rate determined for the relevant property category
Residential property	1: 1	0.013879
Business, industrial and government property	1: 2	0.019082
Vacant Land	1: 2	0.018042
Agricultural property	1: 0.25	0.002428
Mining property	1: 2	0.019083
Public Services Properties (PSP)	1.2	0.018640
Public service infrastructure property	1: 0.25	0.003469
Public benefit organisation property	1: 0.25	0.003469

EXCEPTIONS, REDUCTIONS AND REBATES

Residential Properties: For all residential properties, the municipality will not levy a rate on the first R15,000 of the property's market value rate as per section 17(1)(h) of the Municipal Property Rates Act (Act 6 of 2004)

Rebates in respect of a category of owners of property are as follows:

1. Indigent Households

All indigent Households, for rating purposes, will qualify in respect of their primary place of residence for the first R100,000 reduction, which includes the R15,000 as per section 17(1)(h) of the Municipal Property Rates Act (Act 6 of 2004)

2. Retired Person/Disability

Retired Person/Disability 60 years and older with the following total monthly household income may qualify in terms of the council's Property Rates and subsidy policy for a rebate on the residential property

Prosperity for all

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R0.00 – R17 000	35%
R17 001-R19 500	25%
R19 001-R22 000	10%

3. Development incentives

New development incentives applicable to developments after application and approval as per the Property Rates policy, in line with the applicable criteria.

Capital investment between R20 -R250 Mil

40% Rebate, Year 1 after completion
 25% Rebate, Year 2 after completion
 15% Rebate, Year 3 after completion

Capital investment between above R250mil

65% Rebate, Year 1 after completion
 50% Rebate, Year 2 after completion
 35% Rebate, Year 3 after completion
 20% Rebate, Year 4 after completion
 12% Rebate, Year 5 after completion

4. Municipal Properties

Municipal Owned properties are exempt from paying rates under Section 15 (a) of the approved Property Rates policy.

5. Public Service Infrastructure

The first 30% of the valuation of all public infrastructure, as defined in Section 17(1)(a) of the Municipal Property Rates Act, is exempted from rates as it provides essential facilities and services to the community.

Full details of the Council resolution and rebates, reductions and exclusions specific to each category of owners of properties or owners of a specific category of properties as determined through criteria in the municipality rates policy are available for inspection at the municipality's offices, on the municipal website and all public libraries within the municipality's jurisdiction.

MR. M YEKANI
MUNICIPAL MANAGER
PUBLISHED DATE: 17 JUNE 2025

Prosperity for all

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OUTDTSHOORN MUNICIPALITY

FINAL PROPERTY RATES POLICY

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THIRD AMENDED RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 Section 3 of the Local Government mandates this Policy: Municipal Property Rates Act, 2004 (No.6 of 2004), which specifically provides that a Municipal must adopt a Rates Policy.
- 1.2 In terms section 5(1) of the act supra the municipality must annually during its budget process review its Rates Policy and if necessary, amend the policy. The amended policy must accompany the annual budget when it is tabled and follow a process of community participation through the budget process.

Now therefore the following amended Rates Policy is tabled for adoption by the Council and community comments.
- 1.3 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.
- 1.4 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
 - iii The rates policy
- 1.5 In term of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*. Rates on property.
- 1.6 In terms of Section 62(1) (f) (ii) of Local Government: Municipal Finance Management Act, 2003 (No. 6 of 2003) the municipal manager must ensure that the municipality has implement a rates policy.

2. OBJECTIVES:

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

The Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities

There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities;

Revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and;

It is essential that municipalities exercise their power to impose rates within a statutory framework, which enhances certainty, uniformity, and simplicity across the

nation, and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 and amendment act no. 29 of 2014 including any regulations promulgated in terms of the said Act.

The objectives of this policy are also to ensure that-

- All ratepayers within a specific category are treated equal and reasonable;
- All rates levied are affordable. In dealing with the poor/indigent ratepayers, the municipality will provide relief measures through exemptions, reductions or rebates.
- Rates are levied in accordance with the market value of the property as determined through a valuation.
- The rate will be based on the value of all rateable property in that category and the amount required by the municipality to balance the operational budget, taking into account the surplus obtained from the trading- and reductions and rebates that the municipality may approve from time to time;
- Income derived from rates will be used to finance community- and subsidized services;
- To optimally safeguard the income base of the municipality through exemptions, reductions and rebates that are reasonable and affordable taking into account the poor/indigent ratepayers;
- In order to minimize major shocks to certain ratepayers the market values in the new valuation roll or tariffs determined by Council may be phased-in over the entire periods as stipulated in the Rates Act. to adhere to the legal requirements of the Property Rates Act (Act 6/2004) and amendment Act, Act no. 29 of 2014

3. DEFINITIONS

- 3.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 Of 2004 and amendment act no. 29 of 2014.
- 3.2 “**Accommodation establishment**” means a facility that provides for lettable residential accommodation on a regular and continuous basis in addition to its permitted use and includes “guesthouses”, “bed & Breakfast” and “Self-catering” establishments
- 3.3 “**Agricultural Purposes**” means properties that are used primarily for commercial farming and or subsistence farming purposes, **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 “**Bona fide farmers**” means a genuine or real farmer whose dominant income is generated from farming. The farming activity must be intense, must not be a mere hobby and must contribute to the local economy.
- 3.5 “**Business**” means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf. The use of which is incidental to such business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

3.6 **“category” –**

- (a) in relation to property, means a category of property determined in terms of section 8 of the Act;
- (b) in relation to owners of property, means a category of owners determined in terms of section 15 (2) of the Act; includes “guesthouses”, “bed & Breakfast” and “Self-catering” establishments

3.6.1 **“Date of valuation”** means the date determined by a municipality in terms of section 31(1)

3.6.2 **“day”** means when any number of days are prescribed for the performance of any Act, those days must be reckoned by excluding the first day 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 such Saturday, Sunday or public holiday;

3.7 **“eco –tourism property”** means agricultural property use for the purpose of eco-tourism

3.8 **“exclusion”** in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17 of the Act;

3.9 **“Game farming”** means agricultural property on which the trading in - or the hunting of game take place, and is excluded from agricultural.

3.10 **“Household income”** means the income accruing to all members of the household permanently residing at the address. It includes income of spouses;

3.11 **“income tax act”** means the Income Tax Act, 1962 (Act 58 of 1962)

3.12 **“indigent person”** means a person whose household income does not exceed the minimum household income as predetermined by the council;

3.13 **“Industrial”** means any branch of trade or manufacturing, production assembling or Processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labor are significantly involved,
 -Warehouses
 -Factories
 -Workshops

3.14 **“land reform beneficiary”** in relation to a property, means a person who-acquired the property through the Provincial Land and Assistance Act, 1993 (Act 126/1993); the Restitution of Land Rights Act, 1994 (act 22/1994); holds the property subject to the Communal Property Associations Act, 1996 (Act 28 of 1996); or holds or acquires the property in terms of such other land tenure enacted after this Act has taken effect;

3.15 **“land tenure right”** means a land tenure right as defined in section 1 of the upgrading of land tenure rights Act 1991 (Act no.112 of 1991)

3.16 **“local community”**, in relation to a municipality

(a) means that body of persons comprising:

- (i) the residents of the municipality;
- (ii) the ratepayers of the municipality;

- (iii) any civic organisations and non-governmental, private sector or labour Organisations or bodies which are involved in local affairs within the municipality; and
 - (iv) Visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.
 - (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.
- 3.17 **“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;
- 3.18 **“market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- 3.19 **“MEC for Local Government”** means the member of the Executive Council of a Province who is responsible for local government in that province
- 3.20 **“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).
- 3.21 **“Multiple use properties”** in relation to a property, means the use of a property for more than one purpose, subject to section 9
- 3.22 **“Municipal council” or “Council”** means a municipal council referred to in section 18 of the municipal Structures act;
- 3.23 **“Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003)
- 3.24 **“Municipality”** means the municipal council for the Municipal area of Oudtshoorn.
- 3.25 **“Municipal properties”** means those properties of which the municipality is the owner.
- 3.26 **“Municipal Systems Act”** means the Local Government: municipal Systems Act, 2000 (Act 32 /2000);
- 3.27 **“Newly ratable property”** means any ratable property on which property rates were not levied by 30 June 2005 excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.
- 3.28 **“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;
- 3.29 **“Office bearer”** in relation to places of public worship, means the primary person who officiates at services at that place of worship;
- 3.30 **“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”

3.31 **“Organ of state”** means an organ of state as defined in section 239 of the constitution

3.32 **“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;
 - in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act no. 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;
 - in relation to a share block company, the share block company as defined in the Share Block Control Act, 1980 (Act no. 59 of 1980)
 - 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; an
- (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 “public 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;
 - (iii) 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) an usufructuary or other 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
 - (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or

- (viii) 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;
- 3.33 **“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 (zoning); or
 - (iii) Any legislation applicable to any specific property or properties; or any alleviation of any such restrictions;
- 3.34 **“person”** includes an organ of the state;
- 3.35 **“place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for education 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
 - (b) registered in the name of a trust established for the sole benefit of a Religious community; or
 - (c) subject to a land tenure right
- 3.36 **“prime rate”** means the prime rate of the bank where the primary account of the municipality is kept plus 1%
- 3.37 **“protected area”** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management Protected Areas Act, Act 57 of 2003.
Or:
Any land situated within any mountain catchment area upon which in terms of any direction no farming may be carried on, shall be exempt from all taxes imposed by a local authority on the value of immovable property. (See item 5 of the mountain catchment area act, Act 63 of 1970)
- 3.38 **“public benefit organization”** means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act 1962 (act 58 of 1962) for tax reductions of those activities.
(see items 1, 2 and 4 of part 1 of the ninth schedule of act 58 of 1962)
- 3.39 **“public service infrastructure”** means publicly controlled infrastructure of the following kinds as defined in the definition of public service infrastructure in the act:
 - (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
 - (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water 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 the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;
- (h) breakwater, sea walls, channels. Basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising light houses, radio navigational aids buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled as may be prescribed ; or
- (j) rights of way easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i)

3.40 **“public service purposes”**, in relation to the use of a property, means property owned and used by an organ of state as defined in the definitions of public service infrastructure in the act -

- (a) hospitals and clinics;
- (b) schools, pre-schools, early childhood development centers or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) court of law,

but excludes property contemplated in the definition of “public service infrastructure”,

3.41 **“rate”** means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

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

3.43 **“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;

3.44 **“rebate”**, in relation to a rate payable on a property, means a discount on the amount of the rate payable on the property;

3.45 **“reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

- 3.46 **“residential property”** means a property included in a valuation roll in terms of section 8 in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;
 -Residential flats
 -Residential sectional title units
 -Hostels
 -Old age homes
 -Residences at institutions of higher learning or at schools (where section 9(2) is applied)
- 3.47 **“sectional titles act”** means the Sectional Titles Act, 1986 (Act 95/1986)
- 3.48 **“sectional titles unit”** means a unit defined in section 1 of the Sectional Titles Act;
- 3.49 **“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, 1962 (Act no.58 of 1962)
- 3.50 **“state-owned properties”** means properties owned by the State, which are not included in the definition of public service infrastructure in the Act.
- These state- owned properties are classified as follows:
- (a) State properties that provide local services.
 - (b) State properties that provide regional / municipal district- wide / metro-wide service
 - (c) State properties that provide provincial / national service
- 3.51 **“vacant land” (sec 8(3))** means a land where no immovable improvements have been erected
- 3.52 **“New Business Incentive rebate”** means a rebate granted, on a declining scale, on for a property whereupon a new business is developed in excess of a capital value exceeding R50 Million for a rebate on assessment rates. The definition excludes existing business where change of ownership occurred or where a current business is expanded.

4. PURPOSE OF THE POLICY

The purposes of the policy are to:

- (1) Comply with the provisions of section 3 of the Act.
- (2) Determine criteria to be applied for-
 the levying of differential rates for different categories of properties;
 - a) exemptions;
 - b) grants and rebates; and
 - c) rate increases.
- (3) Determine or provide criteria for the determination of:-
 - a) Categories of properties for the purpose of levying different rates; and

- b) Categories of owners of properties for the purpose for the granting of exemptions, rebates and reductions.
- (4) Determine how the municipality's powers must be exercised in relation to multi purpose properties.
- (5) Identify and provide reasons for
 - a) Exemptions, rebates and reductions;
 - b) Exclusions; and
 - c) Rates on properties that must be phased in.
- (6) Take into account the effect of rates on the poor.
- (7) Take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax exemptions because of those activities, in the case of property owned and used by such organisations for those activities.
- (8) Take into account the effect of rates on public service infrastructure.
- (9) Take into account the effect of rates on public service purposes
- (10) Determine measures to promote local economic and social development.
- (11) Identify all rateable property that is not rated.

5 POLICY PRINCIPLES

- 5.1 Rates are levied in accordance with the Act and amended 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.
- 5.2 As allowed for in the Act, the Municipality has chosen to differentiate between various categories of property and categories of owners of property. 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, other than by way of an exemption, rebate or reduction provided for in this policy.
- 5.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 5.4 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 taken into account by the municipality. In dealing with the poor / indigent ratepayers, the municipality will provide relief measures through exemptions, reduction or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:

- i) it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii) Supports local social economic development
- (d) Cost efficiency

Rates will be based on the value of all rateable property and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates reduction and phasing-in of rates as approved by the municipality from time to time.

6. SCOPE OF THE POLICY

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

7. APPLICATION OF THE POLICY

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.

8. CATEGORIES OF PROPERTY

8.1. Criteria for determining categories of properties for levying different rates and for granting exemptions will be according to:

- (a) the use of the property
- (b) Permitted use of the property; or
- (c) A combination of (a) and (b)

8.2. Categories of rateable property: Section 8 (2)

- (i) Residential
- (ii) Industrial
- (iii) Business and commercial
- (iv) Agricultural
- (v) Mining
- (vi) PSP, properties owned by an organ of state and used for public service purposes according to
- (vii) Public service infrastructure
- (viii) Properties owned by public benefit organisations and used for specified public benefit activities
- (ix) Properties used for multiple purposes subject to section 9(1)(c) & 9(2)(a)

8.3. Categories of rateable vacant property: (Section 8 (3))

- (l) Vacant land

8.4. Categories of non-rateable property: (section 7(2) (a) (i) & section 17 of the MPRA and the Mountain Catchment Area Act, act 63 of 1970)

- (i) Municipal
- (ii) Municipal vacant
- (iii) Municipal residential
- (iv) Place of public worship – (Church, official residence, graveyard)
- (v) Protected Area
 - (i) according to sec 17(1) of the MPRA and
 - (ii) on any land situated within any mountain catchment area upon which in terms of any direction no farming may be carried on, shall be exempt from all taxes imposed by a local authority on the value of immovable property (MCA act, act 63 of 1970)
- (vi) Properties belonging to a land reform beneficiary

9. CATEGORIES OF OWNERS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- (a) indigent status of the owner of a property as determined by the income level of the owner;
- (b) limited income of owners of a property who are pensioners or dependent on social grants;
- (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. any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; (or)
- (e) owners of agricultural properties who are bona fide farmers

10. PROPERTIES USED FOR MULTIPLE PURPOSES (section 8 & 9)

A property used for multiple purposes must, be assigned to categories determined by the municipality for properties used for multiple purpose in terms of section 8 (2) (i) of the amended MPRA.

A rate levied on a property used for multiple purposes must be determined by -

- (a) Apportioning the market value of a property, in a manner as may be prescribed, to the different purposes for which the property is used; and
- (b) Applying the rates applicable to the category for those purposes to the different market value apportionments

If the market value of the property can be apportioned, each portion must be categorized according to its individual use If the market value of the property cannot be apportioned to its various use purposes, then such a property must be categorized in terms of the dominant use of the property.

Properties where House shops, “Spaza Shops” are operated from a dwelling, second dwelling, outbuilding or any other legal structures will be categorized as a multiple use property

Properties with a House shop on it, been operated from a none permanent structure which can easily be broken down and re-erected on another property will not be seen as a multiple use property

11 CLASSIFICATION OF SERVICES AND EXPENDITURE

The Chief Financial Officer shall, subject to the guidelines provided by the Legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality’s annual budget into trading and economic services.

12. LEVYING OF RATES

(1) Liability for rates by property owners:

Rates levied by a municipality on a property must be paid by the owner of the property, subject to Chapter 9 of the Municipal Systems Act.

- (a) Joint owners are jointly and severally liable for the amount due for rates on that property.
- (b) In a case of agricultural property owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the subdivision of the Agricultural Land Act, 1970 (Act no. 70 of 1970) the municipality must consider the following option for determining the liability for rates:
 - (iii) Hold anyone of the joint owners in terms of paragraph (a) liable for all rates levied in respect of the agricultural property concerned.

(2) Method and time of payment

The municipality will recover the rate levied in periodic instalments of equal amounts in twelve months. The monthly instalment is payable on or before the day determined by Council for payment of services, following the month in which it has been levied. Interest will be charged at 1% above the prime interest rate for any late payments received.

(3) Annual Payment Arrangements

By prior arrangement with the municipality the rate may be paid in a single amount before 30 September of the year it is levied in, however, application must be submitted before 31 May prior to the financial year of implementation of the arrangement. The Director of Financial Services will consider any applications after this date.

(4)(i) Recovery of arrear rates from owner

As soon as the annual rates becomes overdue or the monthly rates have been raised for the remaining months in the financial year, an overdue notice must be issued on the owner at the address selected by the owner.

If there is no response from the owner, a further overdue notice should be served at the property with a rider that the services to the property will be terminated within a reasonable period, the minimum being 30 days, should the rates not be paid or satisfactory arrangements made.

This notice should enquire whether the occupier is paying rent and other monies to an agent of the owner and the state that the municipality can, legally, attach the net payment. (i.e. gross receipts by the agent less commission due to the agent on those gross receipts) due to the owner by the agent to settle the arrears. Should the tenant refuse to co-operate, the services should be disconnected and the other debt management actions implemented

(4)(ii) Recovery of arrear rates from tenants, occupiers and agents

If an amount due for rates levied in respect of a property is unpaid after the day determined, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount the municipality might recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount the municipality recovers from the tenant or occupier of the property may be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner.

The municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of that rent received by the agent or person, less the commission due to that agent or person. (subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent on the property received by that agent or person during a period determined by the municipality. If the managing agent is identified through the tenant's assistance, a copy of the notice, which was served on the tenant, must be served on the agent stating that failure to co-operate would lead to action being taken against the agent as well as the termination of the services at the supply address. Should the payments by the agent not be able to redeem the arrears within the next 12 months, the monies must be attached and the next step in the debts management plan of the municipality implemented. The municipality may however decide to extend the 12 month period to such longer period that they deem fit based on the merit.

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 rates payable. Shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back dated to a maximum of three (3) years, the current year plus two (2) previous financial years.

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.

(5) Deferral of payment of rates liabilities

The municipality will consider each and every application for deferral of rates, taking into accounts the merits and demerits of each and the financial implications thereof in so far the cash-flow of the municipality is concerned.

6. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY ROLL

- I. In circumstances where a valuation has been carried out by the municipal valuer in pursuance of a supplementary valuation in terms of Section 78(1)(d) or 78(1)(f) of the Act as a result, for example of a demolition having taken place on a property or a fire having destroyed buildings on a property but the Municipality has not yet included such valuation of the relevant property in a supplementary valuation, such valuation shall be submitted to the Chief Financial Officer for approval to levy rates on the property in accordance with such valuation with effect from the date of the occurrence of the event which caused a supplementary valuation to be required.
- II. If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:
 - the municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation
 - the valuation shall be submitted to the Chief Financial Officer for approval for the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.
- III. Any valuations performed in terms of paragraph 38 shall be included in the next supplementary valuation prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such supplementary valuation is made public in terms of Section 49 of the Act.
- IV. In the event that a property has been transferred to a new owner and a Supplementary Valuation took place; the previous owner as well as the new owner will jointly and separately be held responsible for settling the supplementary rates account and must be attended to by the conveyance attorney.

7. Ownership

Properties, which vest in the Municipality during developments, e.g. open spaces, roads and riverbanks should be transferred at the cost of the developer to the Municipality until such time, rates levied will be for the account of the developer but if the developer does not exist anymore, the following criteria will be applicable:

These properties will be exempted from tax, apart from the fact that it is vesting properties still registered in private owners' names and transfer to council has not taken place yet.

8. RATES CLEARANCE CERTIFICATE & RATES CREDIT REFUNDS

8.1 The municipality shall issue a rates clearance certificate in terms of Section 118(1) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000), after payment of the subscribed administration fee, and once the rates and services is paid four (4) months (120 days) in advance in order to facilitate the transfer of immovable property.

8.2 Rates clearance certificates has a validity period of sixty (60) days from the date it has been issued, in terms of Section 118(1) (b) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000).

8.3 In terms of section 118 (3) of the Systems Act, an amount due for

- (1) Municipal service fees, surcharge on fees, property rates and other
- (2) Municipal rates, levies and duties is a charge upon the property in
- (3) Connection with which the amount owes and enjoys preference over
- (4) Any mortgage bond registered against the property.

8.4 All debt is deemed collectable by the municipality despite a Clearance Certificate issued in terms of section 118 (1) (b) and remains a charge against the property which the municipality will collect by attaching the property. The parties to the section 118 (1)(b) application will be notified of the remaining debt and failing settlement, the municipality will proceed to attach the property in execution.

8.5 No interest shall be paid by the municipality to the registered seller in respect of these payments which are deemed to be due.

8.6 Bank guarantees will be accepted for subsidise transfers on request.

8.7 Undertaking will not be accepted for all transfers.

8.6 REFUNDS

8.6.1 All refunds, including service deposits, will be paid to the transferring attorney after registration of the property;

8.6.2 Refunds will only be processed on applications received through Rates Clearance System.

8.6.3 Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.

8.6.4 Refunds will not be issued if the services have not been connected on the new owner's name and the deed confirming new ownership is not received.

8.6.5 Refunds will be processed when and if the transferring attorney's banking details on the creditor's form has been submitted, with a copy of the responsible person's ID document. The attorneys must supply the municipality with their contact person's e-mail address. Without the information no refund can be processed.

8.6.6 Refunds will be issued once a month per attorney firm.

8.6.7 According to Section 102 of the Systems Act (Act 32 of 2000), a Municipality may:

- Consolidate any separate accounts of persons liable for payments to the municipality
- Credit a payment by such a person against any accounts/s of that person, and
- Implement any of the debt collection and credit control measures to any arrears on any account/s of that person.
- All credit amounts will firstly be allocated as per above and all refunds, if any, will be made to the conveyancer.
- Refunds will only be processed upon receipt of a written/electronic request from the conveyancing attorney and will be paid out within 3 months after registration.

9. Levying of rates on property in sectional title scheme (section 25)

A rate on property, which is subject to a sectional title scheme, will be levied on the Individual sectional title units in the scheme.

10. MULTIPLE OWNERSHIP

The Oudtshoorn Municipality will not split a municipal account because of multiple Ownership and will hold the owners jointly and severally liable for payment.

13. DIFFERENT RATING

13.1 Criteria for different 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 bona fide agricultural purposes.
- (b) The promotion of social and economic development of the community.

13.2 Different rating among the various property categories may be done by way of setting different cent amount in the rand for each property category and/or by way of reductions and rebates.

13.3 The Municipality has the right to change any non-rateable property with a Municipal category to a rateable category, if it is sold during the financial year and becomes rateable. This could be done before the category changes take place during the supplementary valuation period.

The Director of Financial Services will annually calculate the costs of these services and determine through a public participation process to which extent these services are used by the various categories of ratepayers. Inputs from representatives from the various categories of ratepayers must be considered and agreed upon. Different categories of properties may pay different rates in the rand based on the market value of their properties

14. IMPERMISSIBLE RATES

A municipality may not levy the following rates in terms of sections 16 (1) and 17 (1) of the Act.:

- (i) Rates that would prejudice national economic policies.
- (ii) Rates that would prejudice economic activities across boundaries

Rates that would prejudice national mobility of goods, services, capital or labour
On the first 30% of market value of public service infrastructure
On any part of the seashore as defined in the Seashore Act

On any part of the territorial waters of the Republic in terms of the Marine Zones Act (15/1994)

On any island of which the state is the owner including the Prince Edward Islands

On 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 Environment Management: Biodiversity Act of 2004 (Act no 10 of 2004) which are not developed or used for commercial, business or residential agricultural purposes.
On a mineral right within the definition of property.

On a property belonging to a land reform beneficiary or his or her heirs, if this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of deeds.

On the first R15, 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined as residential property or multiple used property provided that one or more component is used for residential purposes.

On property registered in the name of and used primarily as a place of public worship by a religious community, including one official residence registered in the name of that community, which is occupied by an office-bearer of that community who is, officiates at services at that place of worship.

(The exclusion lapses if not used for the purposes as indicated above)

15. EXEMPTIONS

- 15.1 The following categories of property are conditionally, partially or fully exempted from rates:

(a) Municipal properties

Municipal properties are exempted from paying rates according to sec 7(2)(a)(i)

(b) Residential properties

- (i) The first R15 000 of the market value of a residential property contemplated in terms of section 17(1)(h) of the Property Rates Act or a multiple used property (provided that one or more component is used for residential purposes) are exempted from rates.

- (ii) Owners of residential property qualifying for indigent grant in terms of the council's Indigent Policy and/or rebates in terms of item 16.1 of this policy, with a market value below the amount

annually determined by council during its budget process, are exempted from paying rates. (see section 15(2) (e) of the act supra.)

This is an important part of the council's Indigent Policy and is aimed primarily at alleviating poverty.

(c) Cemeteries and crematoriums

All burial facilities registered in the names of private persons and operated not for gain.

(d) Public Service Infrastructure (PSI)

The first 30% of the valuation of all public infrastructure properties as defined on paragraph 2.12 are exempted from rates as they provide essential facilities and services to the community. The rate ratio between residential and PSI properties for this Municipality are 1:0,25 according to the rate ratio regulations (The prescribed ratios are the upper limits, meaning that municipalities can rate them at any ratio of choice below the prescribed ratio as per circular no 13, issued 16 February 2021.

(e) Public Benefit Organizations (PBO)

The rate ratio between residential and PBO properties for this Municipality are 1:0,25 according to the rate ratio regulations (The prescribed ratios are the upper limits, meaning that municipalities can rate them at any ratio of choice below the prescribed ratio as per circular no 13, issued by COGTA on 16 February 2021.

The following Public Benefit Organizations may apply for the special rate tariff, which is 25% of the residential tariff, on property rates subject to producing a 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):

i Health care institutions

Properties used exclusively as a hospital, clinic and mental hospital. 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 for (to) charitable purposes within the municipality.

ii Education institutions

Property belonging to non-profitable independent schools for educational purposes only.

iii Independent schools

Property used by registered non-profitable independent schools for educational purposes only.

iv. Charitable institutions

Property belonging to not-for-gain institutions or organizations that Perform charitable work.

v. Sporting bodies

Property used by an organization whose sole purpose is to use basis.

vi. Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989 and not operated for gain.

vii. Youth development organizations

Property owned and/or used by organizations for the provision of youth Leadership or development programmer.

viii. Animal welfare

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

(f) Non-Profit Organisations (NPO's)

- The properties of Non-Profit Organisations will be charged at the ratio of 1: 0.25 in relation to residential properties. These categories of properties and / or owners of properties are deemed to contribute services or benefits to the community.
- In order to be considered, the organisations must be registered as NPO's under the Non-Profit Organisations Act, (Act no., 71 of 1997)

15.2 Exemptions will be subject to the following conditions

- all applications , must be addressed in writing to the municipality;
- a SARS tax exemption certificate must be attached to all applications;
- the Council must approve all applications;
- applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought;
- the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false; and
- Exemptions will only be granted by the Manager Revenue Management or his/her delegated person.

15.3 Municipal properties sold to religious communities not yet registered:

- (a) Properties owned and used by a religious community for a place of public worship are exempted from tax, according to Section 17 of the said act.
- (b) Properties that are used by a religious community for a place of public worship but not registered in that communities name are also exempted from rates.
- (c) Properties in the rural area owned by a religious community, consisting out of a building used primarily as a place of public worship, but during the week operate as a school to assist the church and its progress, will also be exempted from rates.

16. REBATES

16.1 Categories of property

(a) Residential Properties:

Council may annually during the budget process, by means of an approved sliding scale based on monthly household income, grant qualifying owners a rebate on their rates payable

- (i) Pensioners will receive discount on their property rates, subject to application as per stipulation in 16.2 of this policy, stipulating the detailed qualifying criteria and the subsidy applicable.
- (ii) Indigent households will receive a rebate on their rates of a further R85 000.00 on the valuation of their property as determined by the municipal Council. This is in addition to the R15,000 impermissible rates, section 17(1)(a) of the MPRA. The calculation of the rebate will be as follow: Valuation of R 85 000.00 multiplied by the applicable approved property rates tariff for residential categories of consumers as annually approved by Council.
- (iii) Any property situated in the rural area that is not owned by a bona fide farmer who's dominant income is generated from farming activities and / or not used for any farming purposes will not be categorized as Agricultural, such properties will be categorized according to the dominant use that may be as follows:
 - When the property has a house on it and is used for residential purposes it will be categorized as residential.
 - When a property is not used for any purpose, it will be categorized as vacant land and not agricultural.

(b) Business, commercial and industrial properties

- (iv) The municipality may grant rebates to enterprises that promote local social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy.

- (v) The following criteria will apply.
- (a) job creation in the municipal area;
 - (b) social upliftment of the local community; and
 - (c) creation of infrastructure for the benefit of the community.
- (ii) Rebates will be granted on application 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;
 - (c) an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - (d) A Council resolution.
- (vi) Properties used for businesses purposes may be considered for a rebate on assessment rates by the Chief Financial Officer upon an application submitted by the developer or his/her representative whereby it is clearly demonstrated what the economic, social and financial benefit to the municipality will be over the long term. The rebate may only be considered for new business development in the municipal area or where the nature of the business is unique or new to the municipality.

Business development where the capital investment is between R20 – R250 Million excluding the cost of acquisition of land may be considered for a rebate.

This excludes existing business where change of ownership occurred or where a current business is expanded. The rebate will be applied on a reducing sliding scale as follows:

- a) 40% rebate on assessment rates for the first year after completion of the development;
- b) 25% rebate on assessment rates for the second year after completion of the development;
- c) 15% rebate on assessment rates for the third year after completion of the development.

The rebate will only be afforded subject to the remainder of the assessment rates as well as services accounts are being paid in full by 30 June of each financial.

Business development where the capital investment which exceeds R250 Million excluding the cost of acquisition of land may be considered for a rebate.

This excludes existing business where change of ownership occurred or where a current business is expanded. The rebate will be applied on a reducing sliding scale as follows:

- a) 65% rebate on assessment rates for the first year after completion of the development;
- b) 50% rebate on assessment rates for the second year after completion of the development;

c) 35% rebate on assessment rates for the third year after completion of the development.

d) 20% rebate on assessment rates for the fourth year after completion of the development.

e) 12.50% rebate on assessment rates for the fifth year after completion of the development.

The rebate will only be afforded subject to the remainder of the assessment rates as well as services accounts are being paid in full by 30 June of each financial.

(c) Agricultural property rates ratio & rebate:

(i) Agricultural property rates ratio & rebate: (provincial regulation gazette Vol 537, 12 March 2010 no 33016)

- The rates ratio between agricultural properties used for Agricultural purposes and residential category of properties may not be more favorable than the ratio that the Minister for Provincial and Local Government in Concurrence with the Minister of Finance may from time to time determine and promulgate in the Government Gazette. The 1:0.25 ratio is the prescribed upper limit but the Municipality can rate agricultural properties at any ratio below the prescribed 1:0,25 as per Circular 13, issued by COGTA on 16th of February 2021. ***“Agricultural property” means property that is used primarily for agricultural purposes.*** Therefore, any agricultural property that is used for anything other than agricultural property as defined, such as for residential, industrial business and commercial, or any other purpose, is not eligible to be rated at the 1:0.25 ratio applicable for agricultural properties in the Regulations. Any properties that are outside the meaning of agricultural property as defined should be rated based on their actual use or permitted use as per circular no13, issued by COGTA on the 16th of February 2021. The current rate ratio between residential properties and properties used for agricultural purposes are 1 : 0,175

(ii) Qualifying requirements before a property could be rated as agricultural:

- Qualifying requirements are that the property must be Primarily used for agricultural purposes and Categorized according to its usage and not zoning in terms of section 8 (2) (d) of the act supra and
- The owner must provide the municipality with a valid VAT certificate, or a VAT clearance certificate.
- the owner should be taxed by SARS for farming activities and the last tax assessment must be provided as proof, or
- where the owner is not taxed by SARS for farming activities, proof is required that Income from farming activities exceeds 60% of the household Income, or

- In cases where a property is rented to a Bona Fide Farmer for agriculture purposes who qualifies, a lease agreement between those two parties can also be provided as proof.
- (iii) Properties with agricultural categorization being sold to upcoming farmers who cannot provide any of the requirements in item (ii) above will be re-categorized as vacant land until proof of farming activities can be provided. The following criteria will be applicable in this regard:
 - If proof can be provided within two calendar years from the registration date, the category may be changed to agricultural from date of registration.
 - If proof of farming activities not being provided within two calendar years from date of registration then the category may only be changed to agricultural as from the start of that specific financial year.
- (iv) In a case where the owner of a rural property lives on his property and that property is his / her primary / dominant address but he rents the agricultural portion to a bona-fide farmer who qualifies the following criteria will be applicable:
 - A proper signed lease agreement between those two parties must be provided as proof.
 - The property will be seen as a multiple purpose property and the valuation will be apportioned to the different purposes for which the property is used for.(section 9)
- (v) Except for the qualifying requirements referred to above, it should also be visible that farming activities is taking place on the property.
- (vi) Where properties are owned to more than one person by meaning of undivided shares and being used for agricultural the property will be valued as one property with one category but if some of the shares are sold off for any other use than agricultural, the property will be seen as a multiple purpose property and will be treated according to section 9 of the MPRA.
- (d) Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.
- (e) Historical or heritage properties

No rebates are granted other than residential rebates if appropriate
- (f) Rural properties use for Game Farming:

Game farming could not be categorized under agriculture according to the amendment MPRA definitions. Any properties for the purpose of trading in or hunting of game will be categories as Business properties

(g) Eco –Tourism

Considering the contribution to the local economy, Council may annually during the budget process determine the rebate on Eco-Tourism farms.

(h) Other Rural properties (not agricultural)

Any properties in the rural area not used for agricultural purpose will be categorized according to the usage of the property as determined according to section 8(2)

(i) State owned properties (Public service purposes)

Section 19 (1) (c) circular 12, issued 16 February 2021, Municipalities must during their budget process comply with section 19 (1) (c) not to levy higher rates on public service properties than business rates.

(j) Vacant land

The following properties will be categorized as vacant land:

- Properties situated in the urban area without any improvements
- Properties situated in the Rural area, not used for any purpose and without any improvements
- Properties situated in the Rural area, not used for any purpose with any unoccupiable improvements e.g. store, canopy, etc

16.2 Categories of owners

(a) Pensioners and Disabled Persons Rate Rebate

Pensioners and disable persons may apply for a rebate on property rates but the qualifying requirements are that the owner must:

- a. occupy the property as his/ her normal residence;
- b. be at least 55 years of age (disable persons excluded), or retired due to medical reasons or in receipt of a disability pension.
- c. To qualify for the Pensioners and Disable Subsidy rebate, the total household including spouse must earn an income equal or less than R204 000 per annum (R17 000 per month), and will receive the following subsidy;

First 6kl of water usage.

Water – 100% subsidy on basic charge

Rebate of 35% on the property rates of property.

Subsidy of 50KwH electricity per month plus the electricity basic charge.

Refuse removal - 100% subsidy on 1 removal per week.

Pensioners on life support will be subsidies with 100KwH electricity per month plus the electricity basic charge.

Pensioners that earn an income equal or less than R 234 000 per annum (R19 500 per month) are subsidies as follows

First 6kl of water usage.

Rebate of 25% on the property rates of property.

Subsidy of 50KwH electricity per month plus the electricity basic charge.

Pensioners on life support will be subsidies with 100KwH electricity per month plus the electricity basic charge.

Pensioners that earn an income equal or less than R 264 000 per annum (R22 000 per month) are subsidies as follows:

First 6kl of water usage.

Rebate of 10% on the property rates of property.

Subsidy of 50KwH electricity per month plus the electricity basic charge.

Pensioners on life support will be subsidies with 100KwH electricity per month plus the electricity basic charge.

- d. If the owner owes more than one property the rebate will only be applicable on the property the owner permanently resides in and
- e. If 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.
- f. Owners of properties within a specific geographical area in terms of section 8 (1) (c) of the Act may according to conditions adopted by council apply for rebate.
- g. Pensioners and disable persons that rent properties will only be subsidies on the first 6kl of water, the basic water charged and 50KwH of electricity per month.

(b) Method of application

Property owners must apply on a prescribed application form for a Rebate as determined by the municipality.

- a. Applications must (where applicable) be accompanied by –
 - i. a certified copy of the identity document or any other proof of owner's age which is acceptable to the municipality;
 - ii. an affidavit from the owner;
 - iii. if the owner is a disabled person proof of a disability pension must be supplied; and
 - iv. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
 - v. These applications must reach the municipality before the End of May preceding the start of the new municipal Financial year for which relief is sought.

The Municipality retains the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

OWNERS WILL ONLY QUALIFY FOR A REBATE IN TERMS OF ONE CATEGORY:

17. REDUCTIONS

17.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) Of Act will be granted where the value of a property is affected by-

- (a) A disaster within the meaning of Disaster Management Act, 2002 (Act No.57 of 2002); or
- (b) Any other serious adverse social or economic conditions.

- 17.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.
- 17.3 All categories of owners can apply for a reduction in the rates payable as described above.
- 17.4 Reduction will only be granted as per Council resolution.

18. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING IN OF RATES AND GRANTS-IN-LIEU OF RATES

- (1) During the budget process, the Chief Financial Officer must inform council of all the costs associated with the suggested exemptions, rebates, reductions, phasing in of rates and grants-in-lieu of rates.
- (2) Provisions must be made in the operating budget –
- (a) For the full potential income associated with property rates; and
 - (b) For the full costs associated with exemptions, rebates, reductions, phasing in of rates and grants-in-lieu of rates.

Projections regarding revenue foregone for a financial year in relation to exemptions, rebates, reductions, exclusions, phasing – in etc. must be reflected in the council's annual budget for that year.

- (c) A list of all exemptions, rebates, reductions, exclusions, phasing in etc. must be tabled before council.

19. SPECIAL RATING AREAS

The municipality may by council resolution determine an area within its boundaries as a special rating area for raising funds for improving or upgrading that area; and differentiate between categories of property when levying an additional rate.

Before determining a special rating area, the municipality must consult the Local community on the proposed boundaries of the area, the proposed Improvement or upgrading of the area and obtain the consent of the majority of the ratepayers in that proposed special rating area.

The municipality must determine the boundaries and indicate how the area is to be improved or upgraded by the funds derived from the additional rate.

Establish a separate accounting and record-keeping system regarding the Revenue generated by the special rate and the improvement or upgrading of the Area.

The municipality may establish a committee composed of persons representing the community to act as a consultative and advisory forum. Representivity, including gender must be considered when such a committee is established.

20. RATES INCREASES

- 20.1 The municipality will consider increasing rates annually during the budget Process in terms of the guidelines issued by National Treasury from time to Time.
- 20.2 Rate increases will be used to finance the increase in operating costs of Community and subsidized services.
- 20.3 Relating to community and subsidized services the following annual adjustments to rates payable will at least be made:
- i. All salary and wage increases as agreed at the South African Local Government Bargaining Council
 - ii. An inflation adjustment for general expenditure, repairs and Maintenance and contribution to statutory funds, and
 - iii. Additional depreciation costs or interest and redemption on loans Associated with the assets created during the previous financial year.
- 20.4 Extraordinary expenditure related to community service not foreseen during the previous budget period and approved by the Council during a Budget review process will be financed by an increase in property rates.
- 20.5 All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

21. RECOVERY OF RATES FROM ESTATE AGENTS

- 21.1 The municipality may despite the Estate Agents Affairs Act, 1976 (Act 112 of 1976), recover the full amount due for rates on a property, or partially from an estate agent representing the owner, if this is more convenient for the municipality.
- 21.2 The municipality may recover the amount due for rates from the estate agent representing the owner only after it has served a written notice on the estate agent.
- 21.3 The estate agent must on the request by the municipality furnish the municipality with information specifying all payments for rent on the property and any other money received by the estate agent on behalf of the owner.
- 21.4 The municipality may confiscate the amount of any rent or other money received by the estate agent on behalf of the owner, less commission due to the estate agent to, settle property rates due to the municipality.

22. DISREGARDED ITEMS FOR VALUATION PURPOSES

The following must not be taken into account in determining the market value of a property

- (i) Any building or other immovable structure under the surface of the property which is the subject matter of any mining authorization or mining right defined in the Mineral and Petroleum Resources Development Act, 2002 (Act no 28 of 2002).
- (ii) The value of any equipment or machinery which, in relation to the property concerned, is immovable property, excluding-

- A lift
- An escalator
- An air-conditioning plant
- Fire extinguishing apparatus
- A water pump installation for a swimming pool or for irrigation or domestic purposes; and
- Any other equipment or machinery that may be prescribed; and

(iii) An unregistered lease in respect of the property

(iv) In respect of property used for agricultural purposes the value of any annual crops or growing timber on the property that have yet not been harvested at the date of valuation.

(v) Public Service Infrastructure needs only too be valued if it is the council's intention to levy rates on it.

23. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENTS

The municipality may grant rebates to organisations that promotes local, social and economic development in its area of jurisdiction based on the criteria determined in its local, social and economic development policy. The following criteria will apply:

- (a) Job creation in the municipal area;
- (b) Social upliftment of the local community; and poverty alleviation to the indigents
- (c) Improve local economic growth
- (d) Promote service delivery

24. REGISTER OF PROPERTIES

The Chief Financial Officer must draw up and maintain a register of properties as contemplated in section 23 of the Act.

25. NOTIFICATION OF RATES

25.1 The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become affective. **Accounts delivered after 30 days notice will be based in the new rates.**

25.2 A notice stating the purpose of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places provided for that purpose.

26. FREQUENCY OF VALUATIONS

The municipality shall prepare a new valuation roll every 5 (five) years and a supplementary valuation roll annually.

27. GENERAL VALUATION AND PREPARATION OF VALUATION ROLLS

A municipality intending to levy a rate on property must cause a general valuation to be made of all properties in the municipality, and must prepare a valuation roll of all properties in terms of such valuation.

All rateable properties in a municipal area must be valued during such general valuation, including all properties fully or partially excluded from rates in terms of Section 17 of the present Act. However, if the municipality does not intend to levy rates on its own property, or on public service infrastructure owned by a municipal entity, or on rights in properties. In addition, on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racial discrimination, the municipality is not obliged to value such properties as part of the valuation process.

A municipality may also apply to the Minister for exemption from the obligation to value properties excluded from rates in terms of Section 17 if the municipality can demonstrate that the valuation of such properties is too onerous for it, given its financial and administrative capacity.

Properties, which have not been valued, because of any of the foregoing considerations, must nevertheless be included in the valuation roll.

28. DATE OF VALUATION

For the purposes of a general valuation, a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be implemented.

The general valuation must reflect the market values of properties in accordance with market conditions, which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act and Amendment Act.

29. COMMENCEMENT AND PERIOD OF VALIDITY OF VALUATION ROLLS

A valuation roll takes effect from the start of the financial year following completion of the public inspection period required by the present Act, and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than five (5) financial years.

Section 32(2) provides for the extension of the period of validity of the valuation roll by the MEC for Local Government, but only up to a period of seven (7) financial years, and only in specified circumstances.

30. GENERAL BASIS OF VALUATION

The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

31. VALUATION OF PROPERTY IN SECTIONAL TITLE SCHEMES

When valuing a property, which is subject to a sectional title scheme, the valuer must determine the market value of each sectional title unit in the scheme.

32. SUPPLEMENTARY VALUATIONS

32.1 A Municipality must whenever necessary, cause a supplementary valuation to be made in respect of any rate-able property-

- incorrectly omitted from valuation roll;
- included in a municipality after the last general valuation;
- subdivided or consolidated after the last general valuation;
- of which the market value has substantially increased or decreased for any reason after the last general valuation;
- substantially incorrectly valued during the last general valuation;
- that must be re-valued for any other exceptional reason; or
- of which the category has changed;
- the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error;
- Completion certificates.

32.2 A municipality must regularly, but at least once a year, update its valuation roll by causing a supplementary valuation roll to be prepared, or the valuation roll itself to be amended.

33. REGULAR REVIEW OF RATES POLICY

The rates policy must be reviewed on an annual basis during the Budget period to ensure that it complies with the Municipality's Strategic Objectives and with legislation.

34. ENFORCEMENT / IMPLEMENTATION

This first amended rates policy has been approved by the Municipality in terms of resolution (a) 932 dated 31/03/2012 and comes into effect from 1 July 2012. The second amended rates policy will come into effect from 1 July 2017. The third amended rates policy will come into effect from 01 July 2018. The fourth amended rates policy will come into effect from 01 July 2019. The fifth amended rates policy will come into effect from 01 July 2020.

35. LEGAL REQUIREMENTS

A paraphrase – and in some instances an abridgement – of the key requirements of the Local Government: Property Rates Act no. 6 of 2004 is attached as an Addendum "A" to this policy.

36. SHORT TITLE

This policy is the Property Rates Policy of the Oudtshoorn Local Municipality.

ADDENDUM “A”**LEGAL REQUIREMENTS:****CAUTIONARY NOTE**

This paraphrase is not meant to cover the complete contents of the Property Rates Act, but is focused rather on those requirements, which are immediately relevant to a municipality's rates policy. Thus, the section dealing with transitional arrangements has been omitted, and so have most of the provisions dealing with the valuation process.

SECTION 2: POWER TO LEVY RATES

A metropolitan or local municipality may levy a rate on property in its municipal area. A municipality must exercise its power to levy a rate on property subject to Section 229 and any other applicable provisions of the Constitution, the provisions of the present Act and Amended Act, the regulations pertaining thereto and the rates policy it must adopt in terms of this Act.

SECTION 3: ADOPTION AND CONTENTS OF RATES POLICY

Logical order of processes for implementation of the Act.

Rates policy development and adoption including categorization of properties for the purpose of compiling the valuation roll.

Compilation of the valuation roll in order to determine the market value of properties so as to inform the determination of a reasonable amount in a Rand to be determined in respect of the various categories of rateable property taking into account the budget.

Tabling of the municipal budget accompanied by an adopted rates policy in terms of section 3 (2) of the Act.

(2) Section 3 (3) (e) of the Act must be complied with by providing a general description of that which may be foregone by the municipality without quantifying it in Rand & Cent.

The council of a municipality must adopt a policy consistent with the present Act and amended Act on the levying of rates on rateable property in the municipality.

Such a rates policy will take effect on the effective date of the first valuation roll prepared by the municipality in terms of the present Act, and such policy must accompany the municipality's budget for the financial year concerned when that budget is tabled in the council in terms of the requirements of the Municipal Finance Management Act.

A rates policy must treat persons liable for rates equitably determine the criteria to be applied by the municipality if it: levies different rates for different categories of property; exempts a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;

Grants to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rate payable in respect of their properties; or increases rates;

Determine or provide criteria for the determination of categories of properties for the purposes of levying different rates, and categories of owners of properties, or categories of properties, for the purpose of granting exemptions, rebates and reductions;
Determine how the municipality's powers in terms of Section 9 must be exercised in relation to properties used for multiple purposes;

Identify and quantify in terms of cost to the municipality and any benefit to the local community, exemptions, rebates and reductions; exclusions; and rates on properties that must be phased in, in terms of Section 21;

Take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;

Take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax reductions because of those activities, in the case of property owned and used by such organisations for those activities;

Take into account the effect of rates on public service infrastructure;

Allow the municipality to promote local, social and economic development; and

Identify, on a basis as may be prescribed, all rateable properties in the municipality that are not rated in terms of Section 7.

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

The extent of services provided by the municipality in respect of such properties;

The contribution of agriculture to the local economy;

The extent of which agriculture assists in meeting the service delivery and development obligations of the municipality; and

The contribution of agriculture to the social and economic welfare of farm workers.

Any exemptions, rebates or reductions granted and provided for in the rates policy adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organized local government.

No municipality may grant relief in respect of the payment of rates to:

A category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, rebate or reduction as provided for in its rates policy and granted in terms of Section 15 of the present Act; or

The owners of properties on an individual basis.

SECTION 4: COMMUNITY PARTICIPATION

Before a municipality adopts its rates policy, the municipality must follow the process of community participation envisaged in Chapter 4 of the Municipal Systems Act; and comply with the following requirements, as set out below.

The municipal manager of the municipality must:

Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries, and, if the municipality has an official website or a website available to it, on that website as well; and

Publish in the media a notice stating that a draft rates policy has been prepared for submission to the council, and that such policy is available at the various municipal offices for public inspection, and (where applicable) is also available on the relevant website; and inviting the local community to submit comments and representations to the municipality within a period specified in the notice, but which period shall not be less than 30 days.

The council must take all comments and representations made to it into account when it considers the draft rates policy.

SECTION 5: ANNUAL REVIEW OF RATES POLICY

The council must annually review, and – if needed – amend its rates policy. Any amendments to the rates policy must accompany the municipality's annual budget when it is tabled in the council in terms of the Municipal Finance Management Act.

When the council decides to amend the rates policy, community participation must be allowed for as part of the municipality's annual budget process.

SECTION 6: BY-LAWS TO GIVE EFFECT TO RATES POLICY

A municipality must adopt and published by-laws, in terms of section 12 and 13 of the Municipal Systems Act, to give effect to the implementation of its 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.

SECTION 7: RATES TO BE LEVIED ON ALL RATEABLE PROPERTY

When levying rates a municipality must, subject to subsection (2) levy such rates on all rateable property in its area but it is nevertheless not obliged to levy rates on:

Properties of which the municipality itself is the owner;

Public service infrastructure;

Rights registered against immovable property in the name of a person;

Properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure attributable to past racially discriminatory laws or practices or

The requirement to levy rates on all rateable properties does not prevent a municipality from granting exemptions or rebates on, or reductions in rates levied.

SECTION 8: DIFFERENTIAL RATES

Subject to section 19, a municipality may, in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the:

Use of the property;

Permitted use of the property; or

A combination of (a) and (b)

A municipality must determine the following categories of rateable property in terms of subsection (1): Provided such property category exists within the municipal jurisdiction:

Categories of property

8 A. Categories of rateable property: (section 8 (2))

- (i) Residential
- (ii) Industrial
- (iii) Business and commercial
- (iv) Agricultural
- (v) Mining
- (vi) PSP, properties owned by an organ of state and used for public service purposes
- (vii) Public service infrastructure
- (viii) Properties owned by public benefit organisations and used for specified public benefit activities
- (ix) Properties used for multiple purposes subject to section 9(1)(c) & 9(2)(a)

8 B. Categories of rateable vacant property: (section 8 (3))

- (i) Vacant land

8 C. Categories of non-rateable property: (section 7(2)(a)(i) & section 17)

- (i) Municipal
- (ii) Municipal vacant (public open spaces, roads, riverbanks, ext)
- (iii) Municipal residential
- (iv) Place of public worship – (Church, official residence, graveyards)

SECTION 9: PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes must, be assigned to categories determined by the municipality for properties used for multiple purpose in terms of section 8 (2) (i) of the amended MPRA.

A rate levied on a property used for multiple purposes must be determined by –

- (a) Apportioning the market value of a property, in a manner as may be prescribed, to the different purposes for which the property is used; and
- (b) Applying the rates applicable to the category for those purposes to the different market value apportionments.

If the market value of the property can be apportioned, each portion must be categorized according to its individual use If the market value of the property cannot be apportioned to its various use purposes, then such a property must be categorized in terms of the dominant use of the property

Properties where House shops, “Spaza Shops” are operated from a dwelling, second dwelling, outbuilding or any other legal structures will be categorized as a multiple use property

Properties with a House shop on it, been operated from a none permanent structure which can easily be broken down and re-erected on another property will not be seen as a multiple use property

SECTION 10: LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

A rate on a property, which is subject to a sectional title scheme, must be levied on the individual sectional title units in the scheme, and not on the property on a whole.

SECTION 11: AMOUNT DUE FOR RATES

A rate levied by a municipality on property must be stated as an amount in the rand: on the market value on the property;

In the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value;

In the case of property to which Section 17(1)(h) applies, on the market value of the property less the amount stated in that section (note the section concerned deals with the requirement that the first R15 000 of the market value of certain properties is not rateable or on such other amount as the minister may determine in terms of section 17(3))

SECTION 12: PERIODS FOR WHICH RATES MAY BE LEVIED

In levying rates, a municipality must levy the rate for a financial year. A rate lapses at the end of the financial year for which it was levied.

The levying of rates forms part of the municipality’s annual budget process, and the municipality must therefore annually, at the time of its budget process, review the

amount in the rand of its current rates in line with the annual budget for the next financial year.

SECTION 13: COMMENCEMENT OF RATES

A rate becomes payable as from the start of the particular financial year, or if the municipality's annual budget is not approved by the start of the financial year, as from such later date when the municipality's annual budget, including the resolution levying the rates, is approved by the provincial executive in terms of section 26 of the Municipal Finance Management Act.

SECTION 14: PROMULGATION OF RESOLUTIONS LEVYING RATES

A rate is levied by a municipality by a resolution passed by the council with a supporting vote of a simple majority of its members.

The resolution for levying the rates must be annually promulgated within 60 days from the date of the resolution by publishing the resolution in the provincial gazette.

The resolution must contain the following details:

The date on which the the resolution levying rates was passed differentiate between categories of properties; and

Reflect the cent amount in the Rand rate for each category of property.

Whenever a municipality passes a resolution to levy rates, the municipal manager must, without delay, conspicuously display the resolution for a period of at least 30 days at the municipality's head and satellite offices and libraries, and if the municipality has an official website or a website is available to it, on that website as well; and advertise in the media a notice stating that the resolution levying the property rates has been passed by the council, and that the resolution is available at the municipality's head and satellite offices as so forth.

SECTION 15: EXEMPTIONS, REDUCTIONS AND REBATES

A municipality may in terms of the criteria, which it has set out in its rates policy:

Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of the rate levied on their property; or

Grant to a specific category of owners, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.

In granting exemptions, reductions and rebates in respect of owners or categories of properties, a municipality may determine such categories in accordance with Section 8 (2) and subsection (2A) of the Act, and when granting exemptions, reductions or rebates in respect of categories of owners of properties, such categories may include:

Indigent owners;

Owners dependent on pensions or social grants for their livelihood including owners of properties within the income group of pensions or social grants owners temporarily without income;

Owners of property situated within an area affected by a disaster or any other serious adverse social or economic conditions;

Owners of residential properties with a market value lower than an amount determined by the municipality; and owners of agricultural properties who are bona fide farmers.

In addition to the categories of rateable property determined in terms of section 8(2) , a municipality may, subject to any ratio determined in terms of section 19, for the purposes of granting exemptions , rebates and reductions , determine such category based on;

- properties used for public service purposes; and
- properties to which the provisions of the National Heritage Resources Act, no 25 of 1999 apply, or an institution that has been declared to be subject to the Cultural Institutions Act, no 119 of 1998.

The Municipal Manager must annually table in the council a list of all exemptions, reductions and rebates granted by the municipality during the previous financial year; and

A statement reflecting the income, which the municipality has forgone during the previous financial year by way of such exemption, reductions and rebates,

Projections regarding revenue to be forgone for a financial year in relation to subsection 3(b) must be reflected in the municipality's annual budget for that year as income on the revenue side and expenditure on the expenditure side.

Pensioners will receive a 35% discount on their property rates, subject to application as per stipulation in 16.2 of this policy.

Indigents will receive a discount on their property rates, equal to a R55 000 valuation multiply by the applicable approved property rates tariff, for residential categories of consumers as approved by Council in the tariff list on a yearly basis

SECTION 16: CONSTITUTIONALLY IMPERMISSIBLE RATES

In terms of section 229 (2)(a) of the Constitution, a municipality may not exercise its power to levy rates on property in a manner that materially and unreasonably prejudices national economic policies, economic activities across its boundaries, or the national mobility of goods, services, capital and labour.

If a rate on a specific category of properties, or a rate on a specific category of owners of properties above a specific amount in the rand, is materially and unreasonably prejudicing any of the matters referred to above, the Minister of Provincial and Local Government with concurrence of the Minister of Finance, must , by notice in the gazette, give notice to the relevant municipality that the rate must be limited to an amount in the rand specified in the notice.

SECTION 17: OTHER IMPERMISSIBLE RATES (ABRIDGED)

A municipality may not levy a rate on:

subject to paragraph (aA) the first 30% of the market value of public service infrastructure;

any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of “public service infrastructure”

any part of the seashore;

any part of the territorial waters of the Republic;

any islands of which the state is the owner;

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), of a national botanical garden which are not developed or used for commercial, business, agricultural or residential purposes, (Act 2004, no. 10);

on mining rights or a mining permit property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses 10 years from the date on which such beneficiary's title was registered in the office of the registrar of deeds; or

upon alienation of the property by the land beneficiary or his or her heirs, dependants or spouse the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined by the municipality for residential purposes; or

for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or

on a property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community which is occupied by the office-bearer of that community and who officiates at services at that place of workshop.

The exclusion from rates of a property referred to in subsection (1)(b) lapses;

if the property is alienated or let: or as determined in section 17(1A)

The remainder of this Section deals with situations where the various exemptions lapse: eg (section 17(2)(b) and section 17(5)(b)

SECTION 18: EXEMPTION OF MUNICIPALITIES FROM PROVISIONS OF SECTION 17

The municipality may apply in writing to the Minister for Provincial and Local Government to be exempted from applying the exemptions granted in respect of the first 30% of the market value of public infrastructure, the exemptions on nature

reserves, national parks and national botanical gardens, the exemption on property belonging to land beneficiaries, and the exemption applying to the first R15 000 of the market value of residential and multiple used property. If the municipality can demonstrate that such exclusions are compromising or impeding its ability or right to exercise its powers or perform its functions within the meaning of the Constitution.

SECTION 19: IMPERMISSIBLE DIFFERENTIATION

A municipality may not levy:

different rates on residential properties, except as provided for in sections 11(2), 21 and 89A provided that this paragraph does not apply to residential properties that is vacant where transitional arrangements apply or where some of the properties are newly rateable as [provided for in terms of section 11(i) (b) and section 89 of the act supra.

a rate on non-residential properties that exceeds a prescribed ratio to the rate on residential properties;

rates which unreasonably discriminate between categories of non-residential properties; and

additional rates, except as provided for in Section 22.

The ratio referred to in subsection (1)(b) may be subject to prescribed norms and standards, and may only be prescribed with the concurrence of the Minister of Finance.

SECTION 20: LIMITS ON ANNUAL INCREASES OF RATES

The Minister of Provincial Local Government may, with the concurrence of the Minister of Finance and by notice in the gazette, set an upper limit on the percentage by which:

rates on property categories or a rate on a specific category of properties may be increased; or

the total revenue derived from rates on all property categories or a rate on a specific category of properties may be increased.

Different limits may be set in terms of subsection (1) for different kinds of municipalities or different categories of properties (section 20(2))

The Minister may, on written application by a municipality, and on good cause, exempt a municipality from a limit set in terms of subsection (1).

This section must be read with section 43 of the Municipal Finance Management Act.

SECTION 21: COMPULSORY PHASING IN OF CERTAIN RATES

A rate levied on newly rateable property must be phased in over a period of three financial years.

Similarly, a rate levied on property owned by a land reform beneficiary must, after the exclusion period of ten years has lapsed, be phased in over a period of three financial years.

A rate levied on a newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities must be phased in over a period of four financial years.

The phasing in discount on a property referred to is subsection (1) (a) or (b) must –

in the first year, be at least 75% of the rate for that year otherwise applicable to that property;

in the second year, be at least 50% of the rate for that year otherwise applicable to that property, and;

in the third year, be at least 25% of the rate for that year otherwise applicable to that property.

The phasing in discount on a property referred to is subsection (1) (c) must –

No rate may be levied during the first year on newly rateable property owned and used by organisations conducting specified public benefit activities. Thereafter the phasing in discount shall apply as for other newly rateable property except that the 75% discount shall apply to the second year, the 50% to the third year, and the 25% to the fourth year.

A rate levied on newly rateable property may not be higher than the rate levied on similar property or categories of property in the municipality.

SECTION 22: SPECIAL RATING AREAS (ABRIDGED)

A municipality may by a resolution of its council determine an area within that municipality as a special rating area, levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area, and differentiate between categories of properties when levying such additional rate.

For determining such a special rating area, the municipality must undertake a prescribed process of consultation with the local community, and 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.

The levying of an additional rate 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 IDP.

SECTION 23: REGISTER OF PROPERTIES

The municipality must draw up and maintain a register in respect of all properties situated within that municipality, dividing such register into a part A and a part B.

Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls prepared from time to time.

Part B of the register specifies which properties on the valuation roll or any supplementary valuation rolls are subject to:

an exemption from rates in terms of Section 15 of the present Act;

a rebate on or a reduction in the rate in terms of Section 15;

a phasing in of the rate in terms of Section 21; and

an exclusion referred to in Section 17.

The register must be open for inspection by the public during office hours, and if the municipality has an official website or a website available to it, the register must also be displayed on that website.

The municipality must at regular intervals, but at least annually, update part B of the register.

SECTION 24: PROPERTY RATES PAYABLE BY OWNERS

The owner of the property must pay a rate levied by a municipality on property.

Joint owners of a property are jointly and severally liable for the amount due for rates on that property.

In the case of agricultural property owned by more than one owner in undivided shares, the municipality must consider whether in the particular circumstances it would be more appropriate for the municipality to hold any one of the joint owners liable for all rates levied in respect of the agricultural property, or to hold any joint owner only liable for that portion of the rates levied on the property that represent that joint owner's undivided share in the agricultural property.

SECTION 25: PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

The 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 or 27 of the Sectional Titles Act.

The municipality may not recover the rate on such sectional title unit, or on a right contemplated in section 25 or 27 of the Sectional Titles Act registered against the sectional title unit, or any part of such rate, from the body corporate controlling the sectional title scheme, except when the body corporate itself is the owner of any specific sectional title unit, or the holder of such right.

A body corporate controlling a sectional title scheme may not apportion and collect rates from the owners of the sectional title units in the scheme.

SECTION 26: METHOD AND TIME OF PAYMENT

A municipality must recover a rate on a monthly basis, or less often as may be prescribed in terms of the Municipal Finance Management Act, or annually, as may be agreed to with the owner of the property.

If the rate is payable in a single annual amount, it must be paid on or before a date determined by the municipality. If the rate is payable in instalments, it must be paid on or before a date in each period determined by the municipality.

Payment of rates may be deferred but only in special circumstances

SECTION 27: ACCOUNTS TO BE FURNISHED

A municipality must furnish each person liable for the payment of a rate with a written account specifying:

the amount due for rates payable;

the date on or before which the amount is payable;

how the amount was calculated;

the market value of the property;

if the property is subject to any compulsory phasing in discount in terms of Section 21(a)(b) or (c), the amount of the discount, and

if the property is subject to any additional rate in terms of Section 22, the amount due for additional rates.

A person liable for rates must furnish the municipality with an address where correspondence can be directed to.

The person liable for payment of the 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, that person must make the necessary enquiries from the municipality.

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined for payment by the municipality, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The municipality may recover an amount only after it has served a written notice on such tenant or occupier.

The amount that the municipality may recover from the tenant or occupier is limited to the amount of the rent or other money due or payable, but not yet paid, by such tenant or occupier to the owner of the property.

SECTION 29: RECOVERY OF RATES FROM AGENTS

A municipality may recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the municipality, but only after the municipality has served a written notice on the agent in this regard.

The amount that the municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

SECTION 30: GENERAL VALUATION AND PREPARATION OF VALUATION ROLLS

A municipality intending to levy a rate on property must cause a general valuation to be made of all properties in the municipality, and must prepare a valuation roll of all properties in terms of such valuation.

All rateable properties in a municipal area must be valued during such general valuation, including those properties partially excluded from rates in terms of Section 17 (1)(a) and (h) of the Act provided that properties referred to in section 7(2)(a) must be valued only to the extent that the municipality intends to levy a rate on those property.

However, if the municipality does not intend to levy rates on its own property, on public service infrastructure owned by a municipal entity, on rights in properties, and on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racial discrimination, the municipality is not obliged to value such properties as part of the valuation process.

A municipality may also apply to the Minister for exemption from the obligation to value properties excluded from rates in terms of Section 17(1)(e), (g) and (i) if the municipality can demonstrate that the valuation of such properties is too onerous for it, given its financial and administrative capacity.

Properties, which have not been valued, because of any of the foregoing considerations, must nevertheless be included in the valuation roll.

SECTION 31: DATE OF VALUATION

For the purposes of a general valuation, a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.

The general valuation must reflect the market values of properties in accordance with market conditions, which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act.

SECTION 32: COMMENCEMENT AND PERIOD OF VALIDITY OF VALUATION ROLLS (ABRIDGED)

A valuation roll takes effect from the start of the financial year following completion of the public inspection period required by the present Act, section 49 and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than;

four financial years in respect of a metropolitan municipality; and

five financial years in respect of a local municipality Section 32(2) provides for the extension of the period of validity of the valuation roll by the MEC for Local Government but;

a metropolitan municipality, to five financial years and;

a local municipality, to seven financial years.

SECTION 34: FUNCTIONS OF MUNICIPAL VALUER

The Valuer of a municipality must in accordance with this act value all properties as determined in terms of section 30(2).

The municipal Valuer must also submit a monthly progress report to the municipal manager on the valuation of properties, regardless of whether properties are valued in terms of section 45(2)(a) or in terms of a combination of section 45 (2)(a) and (b) prepare a valuation roll of all properties in the municipality determined in terms of section 30(3);

Sign and certify the rolls ;

Submit valuation rolls to the municipal manager within a prescribed period;

Consider and decide on objections to the valuation roll;

Attend every meeting of an appeal board;

Prepare a supplementary valuation roll whenever this becomes necessary;

Assist the municipality in the collection of postal addresses of owners when valuing properties;

Generally provide the municipality with appropriate administrative support incidental to the valuation roll.

SECTION 42: ACCESS TO INFORMATION

A municipal Valuer or assistant municipal Valuer may require the owner, tenant / occupier, agent of owner, the body corporate controlling a sectional title scheme or the share block company in respect of a share block scheme or the management association in respect of a property time-sharing scheme to give the Valuer access to any documents or information in possession of the owner, tenant / occupier, agent of owner, the body corporate controlling a sectional title scheme or the share block company in respect of a share block scheme or the management association in respect of a property time-sharing scheme

SECTION 46: GENERAL BASIS OF VALUATION (ABRIDGED)

The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

In determining the market value of a property the following must be disregarded for purposes of valuing the property;

any building or other immovable structure under the surface of the property which is the subject matter of any mining authorisation or mining right defined in Act 2002, no 28

SECTION 47: VALUATION OF PROPERTY IN SECTIONAL TITLE SCHEMES

When valuing a property, which is subject to a sectional title scheme, the valuer must determine the market value of each sectional title unit in the scheme.

SECTION 55: ADJUSTMENTS OR ADDITIONS TO VALUATION ROLLS

If an adjustment in the valuation of the property effects the amount due for rates payable on that property, the municipal manager **must**;

recover from the person liable for the payment of rates the different **without adding interest** on the amount due; **or**

repay to the person who made the payment the difference determined in terms of paragraph (a) **plus interest** at the prescribed rate

SECTION 77: GENERAL

A municipality must regularly, but at least once a year, update its valuation roll by causing a supplementary valuation roll to be prepared, or the valuation roll itself to be amended.

SECTION 80: CONDONATION OF NON-COMPLIANCE WITH TIME PERIODS:

The MEC for local government in a province may, on good cause shown, and on such conditions as the MEC may impose, condone any non-compliance by a municipality with a provision of this Act requiring any act to be done within a specified period or permitting any act to be done only within a specific period.

Non-compliance with section 21, 23 or 32 may not be condoned in terms of subsection (1). The powers conferred in terms of this section on an MEC for local government may only be exercised within a framework as may be prescribed.

SECTION 81: PROVINCIAL MONITORING:

The MEC for local government in a province must monitor whether municipalities in the province comply with the provisions of this Act.

If the municipality fails to comply with the provisions of this Act, the MEC may take any appropriate steps to ensure compliance, including proposing an intervention by the provincial executive in terms of section 139 of the Constitution.

SECTION 82A: REPORTING TO MINISTER BY MUNICIPALITIES

A municipality must submit reports, in such form and at such intervals as may be prescribed by the minister on the implementation of provisions of the Act relating to the following matters in this section.

SECTION 82B: REPORTING TO MINISTER BY MEC'S

The MEC for local government must submit reports in such form and at such intervals as may be prescribed to the minister relating to the following matters in this section.

SECTION 87: APPLICATION WHEN IN CONFLICT WITH OTHER LAWS

This Act prevails in the event of any inconsistency between this Act and any other legislation regulating the levying of municipal rates.

SECTION 93A: TRANSITIONAL ARRANGEMENT: PUBLIC SERVICE INFRASTRUCTURE;

The prohibition on the levying of rates on public service infrastructure referred to in section 17(1)(aA) must be phased in over a period of five municipal financial years, with effect from the date of commencement of this Act. The rates levied on property referred to in subsection (1) must not be more than;

- 80 % in the first year
- 60 % in the second year
- 40 % in the third year
- 20 % in the fourth year
- 10 % in the fifth year

SECTION 93B: TRANSITIONAL ARRANGEMENT: DIFFERENTIAL RATES:

The provisions of section 8 must be applied by a municipality within seven years of the date of commencement of this Act.

SECTION 96: SHORT TITLE AND COMMENCEMENT

This is the amended Rates policy in terms of the Local Government Municipal Property Rates Act, Act 6 of 2004 as amended in 2014, (Act 29 of 2014).

In terms of section 3 of the above Act, this policy shall come into operation on 01 July 2024.

