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**MUNISIPALITEIT MATZIKAMA MUNICIPALITY
NOTICE / KENNISGEWING**

**RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR
1 JULY 2025 TO 30 JUNE 2026 / RESOLUSIE - HEFFING VAN EIENDOMS-
BELASTING VIR DIE FINANSIËLE JAAR 1 JULIE 2025 TOT 30 JUNIE 2026**

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004; as amended by the Municipal Property Rates Amended Act, 2014 (No 29 of 2014) that the Council resolved by way of **council meeting held on 29 May 2025**, to levy the rates on property reflected in the schedule below with effect from 1 July 2025./ Kennis geskied hiermee ingevolge Artikel 14(1) en (2) van die Wet op Munisipale Eiendomsbelasting, 2004, soos gewysig deur die Wet op Munisipale Eiendomsbelasting, Gewysigde Wet, 2014 (Nr 29 van 2014) dat die Matzikama munisipale raad tydens 'n **Raadsvergadering gehou op 29 Mei 2025** besluit het op die onderstaande heffings effektief vanaf 1 Julie 2025.

Category of Property/ Kategorie van die Eiendom	Cent amount in the Rand rate determined for the relevant Property Category / Sent bedrag in die rand vasgestel vir die toepaslike Kategorie
Residential / Residensieel	0.006056
Business & Commercial / Besigheid & Kommersieel	0.010448
PSP – Properties owned by the state and used for public service properties / Eiendomme behoort aan die staat en gebruik vir publieke doeleindes	0.010928
Agricultural use for agricultural purposes / Landbou gebruik vir landbou doeleindes	0.001514
PSI	0.000000
Agricultural use for tourism purposes / Landbou grond gebruik vir toerisme doeleindes	0.010448
Industrial Industrieel	0.011075
Mining / Mynbou	0.011287
Vacant land / Vakante grond	0.008406
PBO – properties owned by public benefit organisations and used for specific public benefit activities / Eiendomme behoort aan publieke diens organisasies en gebruik vir spesifieke publieke diens aktiwiteite	0.001514
PBO - Exempt from rates policy / Uitgesluit van eiendomsbelastingbeleid	0.010928

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's rates policy are available for inspection

on the municipality's offices, website (www.matzikamamunicipality.co.za) and all public libraries. / Volledige besonderhede van die Resolusie, kortings, afslag en uitsluitings spesifiek ten opsigte van elke kategorie van eiendom of 'n spesifieke kategorie ten opsigte van die eiendom soos bepaal in die eiendomsbelastingbeleid is ter insae by die munisipale kantore, webtuiste (www.matzikamamunicipality.co.za) asook by alle biblioteke.

LJ PHILLIPS
MUNICIPAL MANAGER

NOTICE: K44/2025

MUNICIPAL OFFICES
37 CHURCH STREET
VREDENDAL, 8160
TEL: 027 201 3300



Matzikama Local Municipality

PROCEDURE MANUAL

**Credit Control and
Debt Management
2025/2026**

DOCUMENT CONTROL & APPROVAL

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2) _____ (Name & Position)

Document Reviewed by:

1) _____ (Name & Position)

2) _____ (Name & Position)

Document Approved by:

1) _____ (Revenue Manager Signature)

2) _____ (CFO Signature)

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1. DEFINITIONS

Debt Collection is the execution of functions necessary to collect unpaid income of the municipality, owed by clients who are debtors.

Credit Control provides procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community:

- To limit risk levels by means of effective management tools.
- To provide for restrictions, limitations, termination of services for non-payment.

Any word or expression –

- Imparting any gender or the neuter includes both genders and the neuter, or
- Imparting the singular only also includes the plural and vice versa unless the context otherwise indicates.

Term	Definition
Accounts	The municipal account for services rendered and for assessment rates levied by the municipality.
Accounting Officer / Municipal Manager	A natural person appointed in terms of section 82 of the Local Government: Municipal Structures Act, No 117 of 1998, and being the head of administration and Accounting Officer in terms of section 55 of the Local Government: Municipal Systems Act 2000, No 32 of 2000.
Act	The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
Arrears	Any amount due and payable excluding interest to the Municipality which has not been paid on or before the date of payment;
Basic Services	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
Consumer/s	Individuals/Businesses/Entities to whom the municipality renders services
Councillor for Financial Matters	A member of the Municipal Council responsible for financial matters.

Term	Definition
Credit Control	The process to manage and monitor usage and payment for services and limiting of further sales of services to debtors in arrears and the negotiation for payment in exchange for normalising furtherance of service delivery
Debt	The amount owed by a consumer to the Municipality for services rendered and property and other rates charged.
Debt Collection	The execution of functions necessary to collect unpaid income of the municipality, owed by clients who are debtors
Debtors	The individuals or legal entities classified as those who/that owe the municipality for services rendered or property and other rates charged
Defaulter	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired
Due date	The date indicated on an the Municipality's account statement issued from the Municipality's billing system by which time payment of the amount on the statement is required
Indigent	A debtor whose whole household has been evaluated in terms of the Indigent Policy and who is registered as being indigent in terms of the Municipality's Indigent Policy
Investee	An institution or its Agent, with which an investment is placed.
Interest on overdue accounts	The amount charged on arrear accounts, which accounts are deemed to be in arrears in terms of this policy.
Indigent amount	The applicable value of the indigent subsidy as determined by the Council from time to time
Interest on overdue accounts	The amount charged on arrear accounts, which accounts are deemed to be in arrears in terms of this policy.
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
MFMA	The Local Government enabling legislation: Municipal Finance Management Act, 56 of 2003.

Term	Definition
Municipality	A Municipality referred to in section 155 (6) of the Constitution
Municipal Council or Council	Means a municipal council referred to in section 157 of the Constitution.
Payment	Any form of redemption towards the balance on an account whether by cash, payment at post office or electronic means (direct bank transfer)
Residential household	A customer who is classified and assessed for property rates as a property consisting of people occupying the property for residential purposes and not for business purposes
Sundry debt	Any debt other than for rates, housing, metered services, sewerage and refuse removal.
Supply	Any metered supply of water or electricity.
Tariff	An agreed charge to the consumer for services rendered.
Termination	The cut off of services by the municipality due to stipulated reasons by the municipality.

2. PURPOSE

In order to sustain the local governance and continued service delivery, the collection of income levied on account statements submitted to debtors must be realised within a turnover rate shorter than 30 days. Payment of arrears must also be addressed sufficiently for the main categories of debtors in order to minimize arrear debtors.

3. What is Credit Control?

At a high level, credit control includes the following:

- Ensuring that all monies due and payable to the municipality are collected in a financially sustainable manner;
- Providing for a framework for customer care and indigent support;
- Describing credit control measures and sequence of events;
- Outlining debt collection and credit control procedures and mechanisms; and
- Setting realistic targets for credit control and debt collection.
- Providing for actions that may be taken by the Municipality to secure payment of accounts that are in arrears including and not limited to the termination or restriction of services and legal actions
- Providing for alternative debt repayment arrangements
- Creating an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the Municipality.
- Effectively and efficiently dealing with defaulters in accordance with the terms and conditions of this procedure manual
- Providing for procedures and mechanisms to ensure that all monies due and payable to the Municipality are collected.

4. The Credit Control and Debt Collection Process

4.1 Application for new connection

Application for new connections can only be made by property owners accompanied by positive identification.

Property Owners must complete the prescribed "Rendering of Consumer Agreement" forms to obtain a new connection. A new connection fee, determined in terms of the municipality's current Rates and Tariff Policy is payable. All new applications will be evaluated. In certain cases, additional security from prospective consumers may be required.

Applicants for Municipal services may be checked for credit worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers. No account shall be opened on a property that is owing, unless there is a payment arrangement on the outstanding amount. The Council reserves the right to disconnect the services of residents if the owners account is in arrears.

4.2 Sending of Accounts

Consumers will receive monthly statement/s with an indicated payment due date. Monthly statements will be emailed or posted to the customer. The Municipality shall actively encourage the use of emails for delivery of Municipal accounts. Delivering post to postal- and street addresses is not the responsibility of the Municipality.

The statement shall contain messages of events within the municipality from month to month. Consumers with disputes on their account/s must pay other services and an average of the disputed service/s. Ratepayers/consumers who have not received an account for a specific month, are advised to pay an average of the previous two months' accounts and to notify the Accountant: Revenue in order to ensure that correct postal details are on the system. It should be stressed that the non-receipt of an account does not exempt one from the liability of payment.

4.3 Estimated Consumption:

The municipality may levy an estimate of the consumption of water or electricity for any relevant period if:

- No meter reading could be obtained in respect of the period concerned; or
- No meter has been installed to measure the consumption on the premises concerned.
- The customer concerned is liable for payment of the fee in terms of the municipality's approved tariffs for service delivery in respect of such estimated consumption

The municipality may, in accordance with the provision of section 102 of Systems Act consolidate any separate accounts of a customer liable for payments in terms of the By-laws of the municipality;

- Hold any amount paid by a customer, which is in excess of an existing debt, in credit for the customer in anticipation of future rates and fees for municipal services owing.
- Submit only one account for all municipal levies and services to the owner of such a property and to distinguish between various individual debtors or debtor types in this regard.

No interest will be payable on any credit amount including that contemplated in point 2 above.

4.4 Reminder/Demand for payment

A warning notice that the account has not been paid on the due date is generated after the due date and delivered to the debtor's physical address, e-mail address or postal address with conventional electricity meter. The Owner's/Debtor's/Consumer's attention is drawn to the note on the municipal account, which states that the supply of services will be discontinued/restricted in accordance with the Municipality's Credit Control policy if the accounts are not settled in full or acceptable arrangement is not made. This serves as a warning to a defaulting owner/debtor/consumer that services will be discontinued/ restricted upon defaulting on payments.

Notices, e-mails, cell phone text messages (SMS) or any available informative actions will however be issued to account holders as a first attempt (first notice) immediately after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay for services.

The aim of such reminders is to get co-operation to settle accounts without the necessity to employ more drastic steps. It also offers the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or Indigent Policies.

Once the customer is formally notified of the arrear account, they have to settle the account or make an acceptable arrangement with the Municipality.

Failure to respond to the notice as alluded to above will result in the disconnection and/or restriction of services.

The aim or arrangements with customers should be to ensure that the Municipality's Credit Control policy is enforced, and to ensure acceptable payment arrangements in line with the Policy. After an agreement is made with the debtor and the agreement is not paid monthly, no new agreement is concluded again.

Failure to respond in a manner stipulated above can lead to legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt.) The Account Holder will be responsible for the legal costs and interest.

In this regard the municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in by the Municipality's Policies or the Credit Control and Debt Collection Bylaw in relation to any arrears of any of the accounts of such a debtor.

4.5 Arrangements

Should account holders/owners/debtors/consumers wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

- The main aim of arrangements should be to enforce the Municipality's Credit Control Policy.

- The arrangement shall include a deposit of at least 25% of arrear accounts or a lower amount as determined by the Manager Income or Delegated Official.
- Care must be taken to ensure that all reasonable financial and social assistance, as provided for in this Policy, is rendered to assist owners/debtors/consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services and rebates on property tax.
- All arrangements must be accepted in writing.
- Arrangements must be entered into that are both affordable to the consumer and protect the Municipality's interest.
- The payment period for arrangements is 24 (twenty-four) months.
- The municipality offers a 50% written off on amounts in arrears are paid in full plus the current monthly account. This will be a once-off arrangement.
- Arrangements should be final, and debtors will not be allowed to re-arrange debt repayments. The Municipality may for a meritorious case, upon presentation of proof of current difficulties, consider delaying the receipt of the arranged instalment. This delay may not exceed 3 months.
- It is of vital importance to ensure that the settlement of current accounts (which may include penalties/interest and/or any admin fees), together with the debt repayment instalment, is seen as the minimum requirement for any agreement.
- Arrangements must be compiled in a format that facilitates legal action, upon breach of contract. Written arrangements must as far as possible be in the form of agreements in terms of Section 57 of the Magistrate's Courts Act, (Act 32 of 1944) and as amended by the Jurisdiction of Regional Courts Amendment Act, (Act 32 of 2008) (hereinafter referred to the Section 57 Agreements).
- All debt arrangements will be correctly recorded, and supporting documentation filed. Debt repayment arrangements may also be logged on the computer system to ensure maximum accessibility and to enable the effective administration of such repayments.
- Arrears of Councilors and Municipal Employees must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph must be read in conjunction with the relevant Sections of the Systems Act, (Act 32 of 2000)).
- The Municipality is allowed to recover all arrears more than ninety days from municipal officials by means of salary deductions and proportionally from increases and/or the official's thirteenth cheque/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.
- No interest will be levied on outstanding amounts for which arranged agreements have been entered into, but the agreement must be paid in full monthly together with the monthly account.
- Arrangements may only be concluded upon submission of the following documentation:
 - Proof of identification;

- Any other documentation as may be requested by the Credit Control Section.
- The municipality must be notified as soon as the account holder redeems the agreement earlier than the expiry date.

4.6 Further actions

- Should arrangements not be made, or not be accepted or not be adhered to:
 - Services are discontinued or restricted; or
 - Pre-paid services are restricted.

This can be done provided that a fair and equitable procedure, including reasonable notice of the intention to discontinue or limit is followed, as allowed for in the Credit Control Policy

Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision where after, all amounts owing become due and must be paid in full before services are restored to full capacity.

- Should amounts owed not be settled by the final date, i.e., after the date for payment set out in a final demand, such accounts, and the relevant Section 57 Agreements, where applicable, will be handed over to the Municipality's Collection Attorneys for recovery and/or to consider instituting further legal action.
- The Municipality shall at its own discretion and without limiting the measures provided for in the Municipality's By-Laws, be entitled to withhold or limit the supply of services until the following that is due to the municipality has been paid in full:
 - The total costs,
 - Penalties,
 - Other fees,
 - Tariffs and rates

This will include the restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:

- Of fraud or theft of water and electricity, penalty must be paid immediately, 25% of outstanding account and the balance on agreement of **maximum 24 (twenty-four)** months.
- Chief Financial Officer and Accountant Income can accept a deposit amount between 10% and 25% and give permission to the debtor to pay the balance of the agreement over 36 months, according the financial circumstances of the debtor.
- Any penalty for electricity and / or water must be paid in full amount before the service will be reconnect.
- Any another criminal activity relating to the supply or unauthorised consumption of water and electricity, or
- If it is evident that fraud, theft, or any other criminal activity has occurred relating to such supply or consumption.

- The Municipality may consider an auxiliary levy on the purchase of pre-paid electricity to recover arrear debt.
- The Municipality may consider black-listing consumers in cases where the consumer was handed over to institute legal proceedings.

4.7 The power to restrict or discontinue supply of municipal services

The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity a percentage of the selling of electricity. This can be done in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service after the expiry of the period for payment in terms of the final demand/ final notice referred to in section:

- Fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;
- No proof of registration as an indigent was furnished within the period provided for in the final demand / final notice referred to above;
- No payment was received in accordance with an agreement for payment of arrears;
- Fails to comply with a condition of supply imposed by the council;
- Obstructs the efficient supply of electricity, water, or any other municipal services to another customer;
- Supplies such municipal service to a consumer/owner who is not entitled thereto or permits such service to continue;
- Causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;
- In any way bridges the supply or illegally reconnect previously disconnected municipal services;

The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer:

- That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice;
- Of the steps which can be taken to have the service reconnected;
- Of the minimum amount payable to restore service.

The right of the Council or any duly appointed agent to restrict or discontinue water and electricity to any premises, owner of property, residents on property, customer, or occupant of property, shall be subject to the relevant legislature.

4.8 Illegal reconnection/tampering of electricity

If consecutive follow-up actions due to no reaction by the debtor reveal that illegal consumption of the service occurred or a disconnection has been tampered with, the service connection is removed and evidence against offenders is filed on an investigation document.

A penalty as calculated by the Technical Department in consultation with the Finance Department is payable before services may be restored.

In the case of tampered meters or illegal connections by Indigents, subsidy will be cancelled immediately.

4.9 Illegal reconnection/tampering of water

The water disconnection/restriction is monitored and followed up in cases of absence of reaction by the debtor to ensure that an illegal reconnection has not occurred.

Interference with disconnections at water service points of non-residential consumers will lead to the removal of such a service connection. Where the services connection is removed, the consumer will be charged with costs of the action in terms of the council's tariff structure.

Any first time discovery of tampering with a restriction device or service connection at the address of a residential consumer leads to restriction of the water flow rate to. Any further tampering after such a restriction will lead to the prosecution of the offending debtor.

4.10 Consumers claiming wrongful cut off

Consumer who claims to have been wrongfully cut off should report such to the Municipality within two days, failure to do so, Municipality shall not be held responsible for any losses incurred by the consumer. Consumers who suffered losses due to wrongful disconnection should produce a proof of her/his losses to the Council so that an investigation can be undertaken. The municipality will also not be liable for damage suffered as a result of power outages.

4.11 Consumers buying water and electricity from prepaid vendors

For consumers who buy water and electricity from prepaid vendors, the municipality may deduct a percentage of the amount rendered to settle arrears, in line with the Credit Control Policy.

5. Reinstatement of Municipality Services

5.1 Reinstatement of Services

The municipality must reinstate full levels of provision of any electricity or water service terminated or restricted after:

- The full amount of arrears has been paid, or
- An agreement for payment of the arrears contemplated has been entered into in terms of this Policy, or
- The full amount of arrears in respect of any agreement entered into, or any additional security required has been provided, and
- Any other condition of the Policy that the municipality may consider appropriate has been complied with.

5.2 Reconnection of services

Services can only be reconnected under the following circumstances:

- Water supply restricted for non-payment by clients, can only be normalized after either receipt of the amount in arrears or conclusion of a settlement arrangement for payment of the arrears in terms of this Policy.
- Water supply which has been restricted due to non-payment will only be normalized after either full payment of the arrears, or upon receipt of an appeal for normalization due to a good payment record of three (3) months on the repayment contract and the current monthly levies. The Chief Financial Officer will receive and evaluate each appeal before normalization.
- Electricity supply discontinued due to non-payment can only be reconnected after receipt of the amount in arrears or the conclusion of a settlement arrangement for payment of the arrears in terms of this Policy.
- Any services which are discontinued as a result of tampering with the Municipality's distribution networks and/or mechanisms can only be legally reconnected if a Court orders so.
- Reconnection or reinstatement of services will be done within 48 hours (excluding weekends). A fee is payable for reconnection of electricity and water.

6. Termination of Service Agreements

- A customer must terminate an agreement with the municipality for the provision of any municipal service by notice in writing (completing the relevant service discontinuation and account closure forms of the municipality) not less than seven working days before the time.

- The municipality may, subject to compliance with the provisions of the relevant By-laws and any other applicable law, terminate the agreement for the provision of a municipal service to a customer, by notice in writing of not less than 14 working days, if the customer has:
 - Not used the municipal service during the preceding six months and has not made arrangement to the satisfaction of the municipality for the continuation of the relevant agreement; or
 - Vacated the premises to which the agreement concerned relates.

7. Free Basic Services

The municipality will provide free basic services to domestic debtors, on a monthly basis in quantities as determined from time to time in line with the Indigent Policy.

8. Indigent Assistance Scheme

Indigent support shall be implemented in line with the Municipality's Indigent Support Policy

9. Incentives

Incentives may be used in collection procedures and write-off policy as approved by council.

10. Debt collection

10.1 Debt Collection Procedure

Council may handover accounts that are 90 days and older in arrears after all internal processes has been exhausted and there is no positive respond.

Annual accounts: Should accounts remain unsettled three (3) months after it became due and payable, notice will be given to the owner/consumer that the amount owed should be settled within fourteen (14) days, failure of which it would be handed over for collection.

Should there be no reaction on the notices; accounts are forthwith handed over for collection, which may include legal proceedings.

Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders. Attorneys should report to Council on a monthly basis on the progress made and the cost aspect regarding each debtor.

10.2 Legal process (use of attorneys/use of credit bureaus)

The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and as last resort, sales in execution of property.

The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

The Municipality will establish procedures and codes of conduct with such outside parties. In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

All costs and interest of this process will be for the account of the debtor.

Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

The Municipality may consider the cost effectiveness of the legal process and will receive reports on relevant matters and report to the Executive Mayor.

If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the owner.

10.3 Cost of Collection

All costs of legal processes including interest, penalties, service discontinuation costs and legal costs associated with credit control and debt collection, wherever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

10.4 Clearance Certificate

In terms of section 118(3) of the Act an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, and duties. The amount due is a charge upon the

property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property,

All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller unless advised otherwise.

The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyer has been received.

Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid. Should the certificate be issued on payments for two months preceding the date of clearance, the outstanding balance will be due and against the property or any owner thereof with or without their knowledge on transfer.

Accordingly, all such municipal debts shall be payable by the owner of such property without prejudice to any claim which the municipality may have against any other person,

On application for clearance any arrangements, acknowledgement of debt shall be cancelled, and all debts on the property shall become due, owing and payable.

The payments of clearance certificate must be made in cash or by irrevocable bank guaranteed cheque, or attorney's trust EFT, there shall be no refunds on cancellation of sale, and the certificate shall be valid for a period of 60 days from date of issue.

10.5 Building plans & Changes for land use applications

Building plans and applications for the change of land use will not be approved if accounts of the relevant erf are in arrears.

10.6 Irrecoverable Debt

Debt will only be considered as irrecoverable if it complies with the Municipality's write-off policy:

10.7 Abandonment of Claims

- The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.
- Outstanding debt that is not recoverable will be attempted to be written off. The Director of Finance will be authorized to the amount of R50 000.00 (fifty thousand) to approve a write-off. Amounts from R50 000.00 (fifty thousand) to R100 000.00 (one hundred thousand) will be authorized by the Municipal Manager to approve write-off. Amounts in excess of R100 000.00 (one hundred thousand) must be submitted to the Council for approval for authorization.

- There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as: -
 - The insolvency of the debtor, whose estate has insufficient funds.
 - A balance being too small to recover, for economic reasons considering the cost of recovery.
 - Indigents write off
 - Where Council deems that a debtor or group of debtors are unable to pay for services rendered.
 - Prisons for long period, longer than 24 months
 - Municipal Debt of outstanding transferring processes of estates.
- The Municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the action or claim in respect of the debt.

10.8 Revenue Recovery Methods

Where the letter of final demand and the termination of services yield no response, and the account is outstanding for ninety (90) days and more may be handed over to external debt collectors and/or attorneys for collection.

10.7.1 In-house Collections

- This unit will deal with outstanding debts. This unit will also deal with all government accounts.
- A tariff in terms of the municipality's current Rates and Tariff Policy will be payable where such an action is taken.
- Where there is no response, the accounts will be handed over to external debt collectors and/or attorneys.

10.7.2 External Debt Collection with the assistance of an Attorney

Any amount outstanding for a period as determined by the CFO or Manager: Income may be handed over to The Municipality's official Debt Collection Agency for collection and to attend to matters that are defended.

10.7.3 Payment Terms and Interest Charged on Outstanding Accounts

- Normal Terms: All categories of consumers are required to effect payment of their rates and services accounts on or before the due date advised on account statements.
- Interest at the prime bank lending rate plus 1% is charged on all consumer accounts or portions of accounts which are not settled / paid on due date.

NOTE: For this purpose, the prime bank-lending rate of the municipality's banker at the start of the financial year of the municipality will be applicable for the entire financial year. This means that the interest rate will be changed on the debtor system once prime rate.

- Payment/s or amount/s received will be allocated at the discretion of the Municipality against any amount owed to the Municipality.
- Accounts amount handed over will cease to attract interest.

10.7.4 Debit Orders Returned

If any payment is made to the municipality by a negotiable instrument, and such negotiable instrument is dishonored, the municipality may levy costs and administration fees against the account of the defaulting customer at the prescribed rate. Council reserves the right to refuse any further negotiable instruments in such a case if the instrument is dishonored for two months.

10.7.5 Arrangement and payment extension

Arrangement to pay arrear account balances will be considered for all accounts accordance with the Municipality's Credit Control Policy. This also applies to churches and non-profit organizations, with only actual service charges being billed.

An appropriate initial down payment of the arrear amount is payable on conclusion of the arrangement and is based on the Credit Control Policy:

Exceptional cases may be referred to the Manager: Income or CFO for consideration.

11. Credit Control and Debt Collection of Employee Accounts

Employees of the Municipality may be subject to disciplinary hearings, as per the Municipal Systems Act (No 32 of 2000), Schedule 2 S10, if they are found to be in arrears for a period longer than 3 months.

Payment of arrears amounts by staff may be extended to a maximum of 24 months in exceptional circumstances in order to deal with previous accumulated arrears and within the prescripts of the Basic Conditions of Employment Act. Thereafter no further arrears may be accumulated.

In order to ensure timeous, assured payment of employee accounts, all employees residing within the Municipality shall be subject to an automatic deduction instituted against their salaries.

12. Credit Control and Debt Collection of Councillor Accounts

The Local Government Laws Amendment Act (No 51 of 2002) states that Municipal

Councillors may not be in arrears to the municipality for rates and services for a period longer than 3 months. In order to ensure timeous, assured payment of councillor accounts, all councillors shall be

subject to an automatic deduction instituted against their councilor allowance payments on a monthly basis.

13. Estates Accounts Collection

13.1 Estates with legal status

The accounts of debtors who are declared as insolvent or liquidated, under administration or deceased are dealt with according to normal legal practices by the collection staff of the municipality.

Unsuccessful claims in terms of liquidations and insolvents are recommended to Council for possible write off.

14. FINAL ACTION

Whenever all the legal avenues, procedures and steps listed above have been exhausted, the arrear amounts should be classified as irrecoverable and should be written off. The write off should be done by the person to whom the authority to do so has been delegated under the Municipality's system of delegations. (Refer to 10.8).

Income before after 30 June each year, or more regularly if requested by Council, the Manager Financial Services must present to the Council a report listing the following:

- For noting – details of the debts that was written off during the year ending 30 June under delegated authority, together with the reasons for the write offs; and
- For consideration – details of any debt, not included under (a) above, which is believed to be irrecoverable, together with the reasons for this conclusion.

The council shall then approve the write-off of such arrears, it if is satisfied with the reasons provided.

14.1 Bad Debts Recovered

The approval of Council for the write-off of any debt does not mean that actions to recover the money will be terminated. Further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

15. Reporting

- The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of the Systems Act. This report shall contain particulars on: -
 - Cash collection statistics, showing high-level debt recovery information (number of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt).
 - Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, government, institutional and other such divisions.
 - Performance of all areas against targets agreed to in section 4 of this policy document.
- If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who may immediately move for a revision of the budget according to realistically realizable income levels.
- The Mayor as Supervisory Authority shall report quarterly to Council as contemplated in section 99(c) of the Systems Act.
- This Credit Control and Debt Management Policy should be read in conjunction with the credit control strategy.

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**MATZIKAMA MUNICIPALITY PROPERTY
TAX POLICY 2025/2026**

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FOREWORD

Since section 3 of the Local Government: Municipal Property Rates Act, 2004 (no. 6 of 2004) stipulates that a municipality must adopt a property tax policy in accordance with this Act, the following policy on the levying of property taxes is now adopted.

OBJECTIVE

1. With the development and adoption of this property tax policy, the council aimed to implement the views expressed in the preamble of the Property Rates Act, namely that: (a) The Constitution mandates local government to be developmental in addressing our country's service delivery priorities and promoting the economic and financial viability of municipalities; (b) There is a need to provide local government with access to an adequate and resilient source of income necessary to fulfil its developmental responsibilities; (c) Income derived from property taxes represents a critical source of revenue for municipalities to achieve their constitutional objectives, especially in areas previously neglected due to racially discriminatory legislation and practices; and (d) It is essential that municipalities exercise their power to levy property taxes within a statutory framework that promotes certainty, uniformity, and simplicity across the nation and considers historical imbalances as well as the burden property taxes place on the poor.

DEFINITIONS

2. Agricultural property: In this policy, unless the context indicates otherwise, "agricultural property" means property primarily used for agricultural purposes, excluding the use of property for guest accommodation and excluding the use of property for eco-tourism or for the trade or hunting of game.
3. "Agricultural purpose" means the primary use of a property for agricultural purposes (including cellars) and specifically excludes the use of a property for no purpose or the purpose of tasting rooms/restaurants and eco-tourism or trade in or hunting of game.
4. "Bona Fide Farmers" means a genuine farmer whose predominant income is derived from farming activities on an agricultural property within the Matzikama municipal area and is taxed by SARS as a bona fide farmer. Agricultural property used for other purposes than agriculture must be assessed based on their use or permitted use and taxed accordingly.
5. "Annually" means once every financial year.
6. "Category" means: (a) Concerning property, a category of property determined under section 8 of the Act, as contained in this policy; (b) Concerning owners of property, a category determined under section 15(2) of the Act.

7. "Exclusion" concerning a municipality's power to levy property taxes means a limitation of that power as provided in section 17 of the Act.
8. "Exemption" concerning the payment of a tax means an exemption granted under section 15 of the Act.
9. "Financial year" means the period from 1 July in a year to 30 June of the following year.
10. "Local community" concerning a municipality means: (a) That group of people consisting of: (i) The residents of the municipality; (ii) The taxpayers of the municipality; (iii) Any civic organizations and non-governmental, private sector, or labour organizations or bodies involved in local affairs within the municipality; and (iv) Visitors and other people residing outside the municipality who, due to their presence in the municipality, use services or facilities provided by the municipality. (b) More specifically includes the poor and other disadvantaged sections of such a group of people.
11. "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 is described in section 155(1) of the Constitution as a category B municipality.
12. "Pensioner" means all persons/owners over 60 years old.
13. "Market value" concerning property means the value of the property determined under section 46 of the Act.
14. "Multiple purpose" concerning property means the use of the property for more than one purpose subject to section 9 of the Act.
15. "Municipal council" or "council" means the municipal council of the municipality.
16. "Municipality" means: (a) As a corporate entity, a municipality described in section 2 of the Municipal Systems Act; and (b) As a geographical area, a municipal area demarcated under the Local Government: Municipal Demarcation Act, 1998 (Act no. 27 of 1998).
17. "Municipal manager" means a person appointed under section 82 of the Municipal Structures Act.
18. "Newly rateable property" means any rateable property on which property tax was not levied before the end of the financial year preceding the year in which the Act came into effect, excluding property erroneously omitted from a valuation roll and therefore not taxed before that date.
19. "Occupier" concerning a property means a person who actually occupies a property, regardless of whether the person has the right to occupy the property or not.

20. "Owner" means: (a) Concerning property referred to in paragraph (a) of the definition of "property," a person in whose name ownership of the property is registered; (b) Concerning a right referred to in paragraph (b) of the definition of "property," a person in whose name the right is registered; © Concerning land tenure right referred to in paragraph © of the definition of "property," a person in whose name the right is registered or to whom it is allocated under legislation.
21. "Permitted use" concerning a property means the limited purpose for which the property may be used in accordance with: (a) Any restrictions imposed by: (i) A title condition; (ii) A provision of a town planning or land use scheme; or (iii) Any legislation applicable to any specific property or properties; or (b) A relaxation of any such restrictions.
22. "Property" means: (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; (b) A right registered against immovable property in the name of a person, excluding a mortgage registered against the property; © A right to land tenure registered in the name of a person or allocated to a person under legislation.
23. "Property register" means a register of properties referred to in section 23 of the Act.
24. "Property tax" means a municipal tax on property envisaged in section 229(1)(a) of the Constitution.
25. "Rateable property" means property on which a municipality levies a tax under section 2 of the Act, excluding property fully exempt from tax under section 17 of the Act.
26. "Discount" concerning a tax payable on property means a reduction in the amount of the tax payable on the property under section 15 of the Act.
27. "Reduction" concerning a tax payable on a property means the reduction of the amount for which the property is valued and the calculation of the tax on that property on such a lower amount.
28. "Residential property" means property of which more than 60% is used for residential purposes.
29. "The Act" means the Local Government: Municipal Property Rates Act, 2004 (no. 6 of 2004).

PURPOSE OF THE POLICY

3. The purpose of the policy is:
- (1) To comply with the provisions of section 3 of the Act.

- (2) To determine criteria for the application of the following: (a) The levying of differential property taxes for different categories of properties; (b) Exemptions; © Allowances and discounts; and (d) Tax increases.
- (3) To determine or provide criteria for the determination of: (a) Categories of properties for the purpose of levying different property taxes; and (b) Categories of property owners for the purpose of granting exemptions, discounts, and reductions.
- (4) To determine how the municipality's powers should be exercised concerning multi-purpose properties.
- (5) To identify and quantify the costs for and benefits to the community for the municipality concerning: (a) Exemptions, discounts, and reductions; (b) Exclusions; and © Taxes on properties that need to be phased in.
- (6) To consider the effect of property taxes on the poor.
- (7) To consider the effect of property taxes on organizations performing activities for public benefit.
- (8) To consider the effect of property taxes on state service infrastructure.
- (9) To determine measures to promote local economic and social development.
- (10) To identify all taxable property that is not taxed.

POLICY PRINCIPLES

4. (1) The council will, as part of each annual operating budget component, levy a property tax in the rand on the market value of all taxable property as recorded in the municipality's valuation roll and supplementary valuation roll. Taxable property will include any rights registered against such property, except for a mortgage.
- (2) The council commits to limiting each annual increase as much as possible.
- (3) The council will, in the imposition of property taxes for each financial year, duly consider the total burden that property taxes and service charges place on representative property owners in the respective categories of property ownership, and the extent to which this burden remains competitive with the comparable burden in other municipalities within the local economic region.
- (4) The council will also strive to ensure that the total budgeted income from property taxes, less income waived and less any contributions to the provision for bad debts, equals at least 25% (twenty-five percent) of the municipality's total budgeted net income for the financial year in question. This will ensure that the municipality's revenue base and the collectability of its income remain healthy.

- (5) All taxpayers, in a specific category, as determined by the council from time to time, will be treated fairly.
- (6) Property taxes will be levied proportionally to the improved value of the property.
- (7) The tax rate will be based on the value of all taxable property and the amount needed by the municipality to balance the operating budget, considering surpluses generated from trading and economic services and the amounts required to finance exemptions, discounts, and aid allowances, as approved by the council from time to time.
- (8) Trading and economic services will be delineated, and tariffs and service charges will be calculated in such a way that the income generated covers the cost of the services or generates a surplus.
- (9) Property taxes will be used to finance community and subsidized services and will not be used to subsidize trading and economic services.
- (10) Surpluses from trading and economic services will be used to subsidize community and subsidized services.
- (11) The provision for working capital for community and subsidized services must equal the non-payment of taxes during the previous financial year and must not include any provision for working capital related to trading and economic services.
- (12) The municipality's revenue base will be protected by limiting exemptions, allowances, and discounts as set out in this policy.

CLASSIFICATION OF SERVICES AND EXPENSES

5. (1) The Chief Financial Officer, subject to the guidelines determined by the National Treasury and the Mayoral Committee of the Council, will provide for the following classification of municipal services:
 - (a) Trading Services: (i) Water. (ii) Electricity. (iii) Holiday resorts. (iv) Agencies.
 - (b) Economic Services: (i) Waste removal. (ii) Sewerage disposal.

Community Services:

- (i) Air pollution.
- (ii) Firefighting services (service performed by the District Council).
- (iii) Local tourism.
- (iv) Municipal planning.
- (v) Municipal public works, only concerning the needs of municipalities in fulfilling their responsibilities and administering functions assigned to them under the Constitution and any other law.

- (vi) Floodwater management system in built-up areas.
- (vii) Trade regulations.
- (viii) Fixed advertising boards and the display of advertisements in public places.
- (ix) Cemeteries.
- (x) Control of public nuisances.
- (xi) Control of businesses selling liquor to the public.
- (xii) Township development.
- (xiii) Facilities for the accommodation, care, and burial of animals.
- (xiv) Fencing and fences.
- (xv) Licensing of dogs.
- (xvi) Licensing and control of businesses selling food to the public.
- (xvii) Local amenities.
- (xviii) Local sports facilities.
- (xix) Municipal parks and recreation.
- (xx) Municipal roads.
- (xxi) Noise pollution.
- (xxii) Pounds.
- (xxiii) Public places.
- (xxiv) Street trading/street lighting.
- (xxv) Traffic and parking.
- (xxvi) Building control.
- (xxvii) Licensing of motor vehicles and transport permits.
- (xxviii) Nature reserves.

(d) Subsidized Services:

- (i) Libraries and museums.
- (ii) Proclaimed roads.
- (2) Trading and economic services must be delineated and financed (as far as possible) from service charges, while community and subsidized services will be financed from property taxes.

Cost Centers (per GRAP)

- (3) Cost centers will be created to which the costs associated with the delivery of the service can be allocated: (a) per Department; (b) per Section/service; © per Division/service; and (d) per ward.
- (4) The classification of expenses, each with a unique budget item, will be applied to all cost centers.

CATEGORIES OF PROPERTY

6. (1) Properties will be categorized as follows:

- (a) Residential properties.
- (b) Industrial properties.
- (c) Business and commercial properties.
- (d) Farm properties used for agricultural purposes (see definition of Bona Fide Farmer).
- (e) Mining properties.
- (f) Public Service Purposes - Refer to Section 1 (Definitions) in the MPRA.
- (g) State infrastructure. Refer to Sections 1, 17(1)(a), and 17(1)(aA) in the MPRA.
- (h) Properties owned by public benefit organizations and used for specific public benefit activities as defined in section 1 of the MPRA.
- (i) Properties used for multiple purposes, subject to section 9.
- (j) Any other category of property determined by the Minister with the consent of the Minister of Finance by notice in the Government Gazette.
- (k) PSP (State property as defined in MPRA).

Other properties:

- (a) Nature reserves / Protected Areas.
- (b) Place of Worship - refer to section 17(1)(i) of MPRA.
- (c) Vacant Residential Properties.

CATEGORIES OF OWNERS

7. (2) For the purpose of section 15(2) of the Act, the following categories of owners will be recognized:

- (a) Indigent owners;
- (b) Owners dependent on pensions or social grants for their livelihood;
- (c) Owners temporarily without income;
- (d) Owners of property located in areas affected by: (i) A disaster within the context of the Disaster Management Act, 2002 (no. 57 of 2002); (ii) Any other serious adverse social or economic conditions;

(e) Owners of residential properties with a market value lower than the amount determined by the municipality, if such a determination is made; or

(f) Owners of agricultural properties who are bona fide farmers.

TAX LIABILITY

8. Method and date of payment:

(1) The Municipality will recover the property tax levied in periodic payments of equal amounts over a period of twelve months.

(2) The instalments are payable on or before the 25th day of each month following the month in which it was levied.

(3) Interest will be charged at 1% above the prime interest rate for any late payments received.

Annual Payment Arrangements:

(4) By making a prior arrangement with the municipality, the property tax can be paid in a single amount on or before September 30 of the year in which it is levied; however, applications must be submitted before May 31 for this option. Interest will be charged after September 30 on outstanding tax accounts for annual payers.

(5) The Director of Financial Services will consider any applications after June 30.

Recovery of overdue property tax from tenants, occupiers, and agents:

(6) If an amount due for tax levied concerning property is unpaid after the specified date, the municipality may recover the amount in whole or in part from a tenant or occupier of the property.

(7) The amount the municipality may recover from the tenant or occupier of the property is limited to the amount of rent or other money owed and payable by the tenant or occupier of the property to the owner of the property.

(8) An amount recovered by the municipality from the tenant or occupier of the property must be set off by the tenant or occupier against any money owed by the tenant or occupier to the owner.

(9) The municipality may recover the amount of property tax owed from an agent of the owner after giving written notice to the agent or person.

(10) 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.

(11) The rent in terms of paragraph (10) will be the amount less the commission owed to that agent or person, subject to the Estate Agents Act, 1976 (no. 112 of 1976).

(12) The agent or other person must, upon request from the municipality, provide the municipality with a written statement specifying all payments for rent on the property received by the agent or person during a period determined by the municipality.

Interim Valuation Areas:

(13) In the case of a property transferred to a new owner and where an Interim Valuation has taken place, the previous owner as well as the new owner will be jointly and severally liable for the settlement of the interim property tax account.

Ownership:

(14) Properties that revert to the Municipality at the time of development, i.e., open spaces and roads, must be transferred to the Municipality at the developer's cost.

(15) Until then, property tax levied will be for the account of the developer.

Clearance Certificate:

(16) Tax clearance certificates will be valid for a period of 60 days if fees are fully paid up to the date of issue.

(17) A property is only transferred to the Buyer once the Buyer has received the Title Deed certificate. The Seller remains liable for the property tax until the date of registration.

(18) A tax on property subject to a sectional title scheme will be levied on the individual sectional title units in the scheme.

Levying of tax on property in sectional title schemes: (18) The transfer attorney will be responsible for mediating between the parties for the payment of any debts that may accrue from the date of clearance to the date of registration of the property in the buyer's name.

CRITERIA TO BE APPLIED FOR THE PURPOSE OF LEVYING DIFFERENT PROPERTY TAXES FOR CATEGORIES OF PROPERTIES

9. (1) There will be differentiation between the different categories of taxable properties, and different property taxes in the rand will be paid as determined from time to time by the municipal council during the budget approval process.
- (2) The property tax payable by agricultural properties may not exceed five times the amount payable by residential property taxpayers.

EXEMPTIONS

Categories of properties:

10. (1) Municipal properties of the Matzikama Municipality are exempt from the payment of property tax as it would increase the tax burden or service charges on property owners or consumers.
- (2) Owners of the following categories of properties may apply for exemption from property tax subject to the submission of a tax exemption issued by the South African Revenue Service (SARS):
- (a) The following Public Benefit Organizations (health and humanitarian) may apply for exemption from property tax where:
- (i) Taxable property is registered in the name of an institution or organization that, in the opinion of the Council, performs welfare or humanitarian work as envisaged in Part 1 of the Ninth Schedule of the Income Tax Act (Act no. 58 of 1962);
 - (ii) The care or counselling of, or the provision of educational programs related to, abandoned, abused, neglected, orphaned, or homeless children;
 - (iii) The care or counselling of poor or needy persons where more than 90 percent of those persons to whom care or counselling is provided are over the age of 60;
 - (iv) The care or counselling of, or the provision of educational programs related to, physically or mentally abused or traumatized persons;
 - (v) The provision of disaster relief; (vi) The rescue or care of persons in distress;
 - (vii) The provision of poverty relief;
 - (viii) Rehabilitative care or counselling or education of prisoners, former prisoners, and convicted offenders and persons awaiting trial;
 - (ix) The rehabilitation, care, or counselling of persons addicted to dependence-forming substances or the provision of preventive and educational programs regarding addiction to dependence-forming substances;
 - (x) Conflict resolution, the promotion of reconciliation, mutual respect, and tolerance between the various population groups of South Africa;
 - (xi) The promotion or advocacy of human rights and democracy;
 - (xii) The protection of the safety of the general public;
 - (xiii) The promotion or protection of family stability;
 - (xiv) The provision of legal services to poor and needy persons;

- (xv) The provision of facilities for the protection and care of children of poor and needy parents who are younger than school-going age;
- (xvi) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees;
- (xvii) Community development for poor and needy persons and initiatives to combat poverty, including:
 - (a) The promotion of community-based projects related to self-help, empowerment, capacity building, skills development, or poverty alleviation;
 - (b) The provision of training, support, or assistance to community-based projects provided for in item (a); or
 - (c) The provision of training, support, or assistance to emerging micro-enterprises to improve capacity to start and manage business enterprises, which may include the granting of loans in accordance with conditions prescribed by the Minister by regulation; and
- (xviii) The promotion of access to the media and a free press.
 - (b) Public Benefit Organizations (cultural) where:
 - (i) Taxable property is registered in the name of Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers, or any other organization that, in the opinion of the Council, is similar, or any taxable property leased by the Council to any of the mentioned organizations; or
 - (ii) Taxable property is used for the promotion, establishment, protection, or maintenance of areas, collections, or buildings of historical or cultural interest or national monuments or national heritage sites, museums, including art galleries, archives, and libraries.
 - (c) Public Benefit Organizations (sport) where:
 - (i) Sports fields are used for the purpose of amateur and any social activities associated with such sport, excluding sports fields of public and private schools.
 - (d) Public Benefit Organizations (conservation, environment, and animal welfare), where:
 - (i) Taxable property is registered in the name of an organization or institution involved in the conservation, rehabilitation, or protection of the natural environment, including flora and fauna; or
 - (ii) Taxable property is registered in the name of an institution or organization that has as its sole objective the protection, including the rehabilitation or prevention of abuse, of animals or birds.

(e) Public Benefit Organizations (healthcare) where:

(i) Taxable property is registered in the name of an institution or organization that has as its sole objective the healthcare or counselling of needy, terminally ill, seriously physically or mentally disabled, and HIV/AIDS-affected persons or patients;

(ii) The provision of healthcare services to poor or needy persons;

(iii) The care and counselling of terminally ill persons or persons with serious physical or mental disabilities, and the counselling of their families in this regard;

(iv) The prevention of HIV infection, the provision of preventive and educational programs related to HIV/AIDS;

(v) The care, counselling, or treatment of people affected by HIV/AIDS, including the care or counselling of their families and dependents in this regard; (vi) The provision of blood transfusion, organ donation, or similar services; and (vii) The provision of education in primary healthcare, sex education, or family planning.

(5) Properties used for:

(a) The welfare of war veterans and registered in the name of a trustee or trustees or any organization.

(b) Agriculture, where:

(i) Taxable property is registered in the name of an agricultural association affiliated with or recognized by the South African Agricultural Union and used for the purpose of such organization. To evaluate whether a property can be classified as agricultural, an ITA34 proof from SARS must be submitted.

DISCOUNTS

Categories of owners:

(6.1) All residential and informal properties with a taxable value of less than R15,000 are exempt from the payment of property tax.

(6.2) Owners who meet the following criteria may apply for a discount according to a sliding scale as determined from time to time by the council:

(a) The property must be registered in the name of the applicant, and in the case of a property registered in the name of a Trust, all the Trustees' names must be provided;

(b) The owner must be at least 60 years old;

(c) The owner must occupy the property;

(d) In the case of a semi-detached house where a portion is rented out, the discount will only apply to the portion occupied by the owner;

(e) The age requirement provided in 11(6)(b) will not apply if the owner is a disabled person receiving a disability pension or a person who retired earlier due to medical reasons.

(7) An applicant must provide the following details on the applicable application form:

(a) Personal details of the applicant;

(b) Postal address of the applicant;

(c) Erf or plot number as indicated in the municipal valuation records of the property for which the application is made;

(d) A comprehensive description of the purpose for which the applicable property is used; and

(e) Any other details required by the municipality from time to time.

(8) The municipality reserves the right to refuse discounts if the details provided in the application form are incomplete, incorrect, or false.

(9) Applications provided for in paragraph 11(7) must be accompanied by the following details: (a) A certified copy of the identity document or any other proof of the owner's age acceptable to the municipality;

(b) Sufficient proof of the owner and/or his/her spouse's income, and in the case of a property registered in the name of a Trust, the income of the Trustees must be provided;

(c) A sworn declaration by the owner;

(d) If the owner is a disabled person, proof of the disability pension payable by the state must be provided; and

(e) If the owner retired earlier due to medical reasons, proof thereof must be submitted.

(10) Discounts:

(a) For persons registered on the Council's indigent database, whose monthly household income is less than or equal to the value and meets the criteria determined from time to time in the Council's Indigent Policy, provided that the maximum subsidy the council may grant will not exceed R15,000 (property valuation).

(b) Owners who qualify as pensioners and receive their income from such a source, up to a maximum household income per erf, excluding registered indigent cases of:

(i) 0 to R10,000 per month, are entitled to a discount of 75% of the property tax;

(ii) R10,001 to R15,000 per month, are entitled to a discount of 25% of the property tax.

Applications must be completed annually on the prescribed form and accompanied by the necessary supporting proof of income. A qualifying owner will only be entitled to a discount on one property within the jurisdiction of the Matzikama Municipality.

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

(12) Due to the capital contribution of the Mini Mall, property 292/426, the new development will receive rebate on property rates from date of valuation on the new complete building, phased in over 3 years as follows:

- (i) Rebate on first year, 50% of property rates;
- (ii) Rebate on second year, 30% of property rates;
- (iii) Rebate on third year, 15% of property rates.

REDUCTIONS

Categories of property:

12. (1) A reduction in the municipal valuation as provided in section 15(1)(b) of the Act will be granted where the value of the property is affected by fire damage, demolition, or floods.

(2) The reduction will be proportional to the certificate issued for this purpose by the municipal valuer.

PROPERTY TAX INCREASES

13. (1) The municipality will consider an increase in property tax annually during the budget process.

(2) Tax increases will be used to finance increases in operating costs of community and subsidized services.

(3) Regarding community and subsidized services:

(a) The following annual adjustments will be made:

- (i) All salary and wage increases as agreed by the National Bargaining Council.
- (ii) An inflation adjustment for general expenses, repairs and maintenance, and contributions to funds.

(iii) Additional depreciation costs or interest and redemption of loans related to assets created during the previous financial year or provided for in the capital budget.

(4) Extraordinary expenditure not provided for during the previous budget process and approved by the council at the time of the budget review process will be financed by an increase in property tax.

(5) All increases in property tax will be communicated to the local community in accordance with the council's policy on community participation.

MULTI-PURPOSE PROPERTIES

14. (1) Property tax on properties used for multiple purposes will be levied based on the dominant use as defined in section 9(1)(b) of the Act.

(2) Properties used for multiple purposes, other than those referred to under residential properties above, will be taxed based on the value assigned to each component and will receive the discount, if applicable, for such a component.

(3) Properties for multi-purpose use that do not fall within the definition of the residential category and therefore do not qualify for a residential discount may be included in the category of properties for multi-purpose use. The tax payable on such a property will be determined by the category determined for the portion whose use deviates from the dominant use of the property.

COST OF EXEMPTIONS, DISCOUNTS, REDUCTIONS, PHASING IN OF PROPERTY TAX, AND ALLOWANCES IN PLACE OF PROPERTY TAX

15. (1) During the budget process, the Chief Financial Officer must inform the council of all costs associated with the proposed exemptions, discounts, reductions, phasing in of property tax, and allowances in place of property tax.

(2) Provision must be made in the operating budget for:

(a) The full potential income associated with property tax; and

(b) The full costs associated with exemptions, discounts, reductions, phasing in of property tax, and allowances in place of property tax.

REGISTER OF PROPERTIES

16. (1) The Chief Financial Officer must compile and maintain a register of properties as provided in section 23 of the Act.

NOTICE OF PROPERTY TAX

17. (1) The council will give notice of all property tax approved at the annual budget meeting at least 30 days before the date on which the property tax takes effect. Accounts delivered after the 30-day notice will be based on the new property tax.

(2) A notice outlining the council's decision, the date on which the new property tax will take effect, and an invitation for objections will be displayed at the municipality in places designated for this purpose.

CORRECTION OF ERRORS AND OMISSIONS

18. (1) Where the property tax levied on a specific property has been incorrectly determined, whether due to an error or omission on the part of the municipality or false information provided by the owner of the property concerned or a violation of the permitted use for which the property concerned may be used, the property tax due will be adjusted accordingly for the period from the date the error or omission is discovered retroactively to the date on which property tax was first levied in accordance with the current valuation roll.

(2) Furthermore, where the error arose due to false information provided by the owner of the property or as a result of a violation of the permitted use of the property concerned, interest on the unpaid portion of the property tax due will be charged at the maximum rate allowed by prevailing legislation.

FREQUENCY OF VALUATIONS

19. (1) The municipality will prepare a new valuation roll every 4 (four) to 5 (five) years and supplementary valuation rolls whenever necessary, as provided in section 78(1) of the Act.

SHORT TITLE

20. (1) This policy is the Property Tax Policy of the Matzikama Municipality.

LEGAL REQUIREMENTS: Overview of Act 6 of 2004

An outline - and in some cases an excerpt - of the key requirements of the Local Government: Municipal Property Rates Act no. 6 of 2004 is attached as Appendix A to this policy for convenient reference.

LEGAL REQUIREMENTS: APPENDIX "A"

CAUTIONARY NOTE

The purpose of this excerpt is not to cover the entire content of the Property Rates Act but rather to focus on those requirements that are immediately relevant to a municipality's property rates policy. Therefore, the section dealing with transitional arrangements is omitted, as well as most of the provisions dealing with the valuation process.

SECTION 2: POWER TO LEVY PROPERTY RATES

A metropolitan or local municipality may levy a rate on property within its municipal area. A district municipality may levy a rate on property within the district management 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 Act, and the property rates policy and bylaws it must adopt under this Act.

SECTION 3: ADOPTION AND CONTENT OF PROPERTY RATES POLICY

The council of a municipality must adopt a policy in accordance with the Act on the levying of rates on taxable property in the municipality.

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

A property rates policy must:

- Treat persons liable for property rates equitably;
- Set out the criteria to be applied by the municipality when it:
 - Levies different property rates for different categories of property;
 - Exempts a specific category of owners of properties, or the owners of a specific category of properties, from the payment of rates on their properties;
 - Grants a rebate or reduction in the property rates payable concerning their properties; or
 - Increases property rates;
- Set out criteria or provide for the determination of categories of properties for the purpose of levying different property 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 under Section 9 should be exercised concerning properties used for multiple purposes;
- Identify and quantify, concerning costs to the municipality and any benefit to the local community, exemptions, rebates, and reductions; exclusions; and rates on properties that must be phased in under Section 21;
- Take into account the effect of property rates on the poor and include appropriate measures to alleviate the burden of property rates on them;
- Take into account the effect of property rates on organizations performing specified activities for public benefit and registered for tax reductions under the Income Tax Act due to those activities, in the case of property owned and used by such organizations for those activities;
- Take into account the effect of property rates on public service infrastructure;
- Allow the municipality to promote local, social, and economic development; and
- On a basis as may be prescribed, identify all taxable property in a municipality that is not taxed under Section 7.

In considering criteria for application concerning any exemptions, rebates, and reductions on property used for agricultural purposes, the municipality must take into account:

- The extent of services provided by the municipality concerning such properties;
- The contribution of agriculture to the local economy;
- The extent to which agriculture assists in meeting the municipality's service delivery and development obligations; and
- The contribution of agriculture to the social and economic welfare of farm workers.

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

No municipality may grant relief concerning the payment of property rates to:

- A category of owners of properties, or the owners of a category of properties, other than by way of an exemption, rebate, or reduction as provided for in its property rates policy and granted under Section 15 of the current Act; or
- The owners of properties on an individual basis.

SECTION 4: COMMUNITY PARTICIPATION

Before a municipality adopts a property rates policy, it must follow a process of community participation as envisaged in Chapter 4 of the Municipal Systems Act and which meets the following requirements, as set out below.

The municipal manager of the municipality must:

- Display the draft property rates policy conspicuously 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 at its disposal, also on the website; and
- Advertise a notice in the media stating that a draft property rates policy has been prepared for submission to the council and that such policy is available for public inspection at the respective municipal offices and (where applicable) also on the relevant website, and invite the public community to submit comments and representations to the municipality within a period specified in the notice, where such period will not be less than 30 days.

The council must take into account all comments and representations submitted to it when considering the draft property rates policy.

SECTION 5: ANNUAL REVIEW OF PROPERTY RATES POLICY

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

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

SECTION 6: BYLAWS TO GIVE EFFECT TO THE PROPERTY RATES POLICY

A municipality must adopt bylaws to give effect to the implementation of its property rates policy, and such bylaws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of property rates.

SECTION 7: PROPERTY RATES TO BE LEVIED ON ALL TAXABLE PROPERTY

When a municipality levies property rates, such property rates must be levied on all taxable property in its area, but notwithstanding this, it is not obliged to levy property rates on the following:

- Properties owned by the municipality itself;
- Public service infrastructure owned by a municipal entity;

- Rights registered against immovable property in the name of a person;
- Property in cases where it is impossible or unreasonably difficult to determine a market value due to legally uncertain property rights attributable to historically racially discriminatory laws or practices.

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

SECTION 8: DIFFERENTIAL PROPERTY RATES

A municipality may, in accordance with the criteria set out in its property rates policy, levy different property rates for different categories of taxable property, and these categories may be determined according to:

- The use of the property;
- The permitted use of the property; or
- The geographical area within which the property is located.

To eliminate confusion and for clarity, the municipality will levy property rates based on the use of the property and not on the zoning. Any use contrary to the permitted use or zoning will be handled in terms of the municipality's ordinance on land use planning.

Categories of taxable property that may be determined include the following:

- Residential properties
- Industrial properties
- Business and commercial properties
- Farm properties used for:
 - Agricultural purposes
- Properties owned by the state
- Municipal properties
- Public service infrastructure
- Towns in private ownership serviced by the owner
- Formal and informal settlements
- Communal land
- State trust land
- Property acquired through the provisions of the Land Assistance Act 1993 or the Restitution of Land Rights Act 1994 or subject to the Communal Property Associations Act 1996

- Protected areas
- Properties declared as national monuments
- Properties owned by public benefit organizations and used for any specific activity for public benefit
- Properties used for multiple purposes.

SECTION G: PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes must, for the purpose of property rates, be assigned to a category determined by the municipality for properties used for:

- A purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- A purpose corresponding with the dominant use of the property; or
- Multiple purposes, as specified in Section 8 above.

A rate levied on a property assigned to a category of properties used for multiple purposes must be determined by:

- Allocating the market value of the property in a manner as may be prescribed to the different purposes for which the property is used; and
- Applying the property rate applicable to the categories determined by the municipality for properties used for those purposes in accordance with the different market value allocations.

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

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

SECTION 11: AMOUNT DUE FOR PROPERTY RATES

A rate levied by a municipality on property must be indicated as an amount in rand:

- On the market value of the property;
- In the case of public service infrastructure, the maximum rate is equal to 25% of the rate applicable to residential properties.
- In the case of property to which Section 17(1)(h) applies, on the market value of the property less the amount specified in that section (note that the relevant

section deals with the requirement that the first R15,000 of the market value of certain properties is not taxable).

SECTION 12: PERIODS FOR WHICH PROPERTY RATES MAY BE LEVIED

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

The levying of property rates forms part of the municipality's annual budget process, and the municipality must therefore annually, during its budget process, review the amount in the rand of its current property rates in accordance with the annual budget for the next financial year.

SECTION 13: COMMENCEMENT OF PROPERTY RATES

A property rate becomes payable at the beginning of the specific financial year, or if the municipality's annual budget is not approved at the beginning of the financial year, from such later date when the municipality's annual budget, including the decision levying the property rate, is approved by the provincial executive authority in terms of Section 26 of the Municipal Finance Management Act.

SECTION 14: ISSUANCE OF DECISIONS LEVYING PROPERTY RATES

A property rate is levied by a municipality through a decision adopted by the council with a supporting vote or a simple majority of its members.

The decision levying the property rate must be promulgated by publishing the decision in the Provincial Gazette.

Whenever a municipality adopts a decision to levy property rates, the municipal manager must, without delay, display the decision conspicuously at the municipality's head and satellite offices and libraries for a period of at least 30 days, and if the municipality has an official website or access to a website, also on that website, and a notice must be advertised in the media stating that the decision levying property rates has been adopted by the council and that the decision is available at the municipality's head and satellite offices, etc.

SECTION 15: EXEMPTIONS, REDUCTIONS, AND REBATES

A municipality may, in accordance with the criteria set out in its property rates policy:

- Exempt a specific category of owners of properties, or the owners of a specific category of properties, from the payment of rates levied on their properties; or
- Grant a rebate or reduction in the property rates payable concerning their properties.

In granting exemptions, reductions, and rebates concerning owners or categories of properties, a municipality must determine such categories in terms of Section 8 of the existing Act, and when exemptions, reductions, or rebates are granted concerning categories of owners of properties, such categories may include:

- Indigent owners;
- Owners dependent on pensions or social grants for their livelihood;
- Owners temporarily without an income;
- Owners of property located in an area affected by a disaster or any other 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 property who are bona fide farmers.

The municipal manager must annually table the following 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 forgone by the municipality during the previous financial year by way of such exemptions, reductions, and rebates; exclusions referred to in the Act; and the phasing in of discounts granted under Section 21.

All exemptions, reductions, and rebates envisaged for a financial year must be reflected in the municipality's annual budget for that year as income on the revenue side and an expense on the expenditure side.

SECTION 16: CONSTITUTIONALLY IMPERMISSIBLE PROPERTY RATES (ABRIDGED)

Under the Constitution, a municipality may not exercise its power to levy a rate on property in a manner that materially and unreasonably prejudices national economic policy, 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 properties above a specific amount in the rand, materially and unreasonably prejudices

any of the matters referred to above, the Minister of Provincial and Local Government may, by notice in the Government Gazette, notify the municipality concerned that the property rate must be limited to an amount specified in the notice.

SECTION 17: OTHER IMPERMISSIBLE PROPERTY RATES (ABRIDGED)

A municipality may not levy a property rate on the following:

- Any part of the seashore;
- Any part of the territorial waters of the Republic;
- Any islands owned by the state;
- Those parts of a special nature reserve, national park, or nature reserve or national botanical garden that are not developed or used for commercial, business, agricultural, or residential purposes;
- Mineral rights;
- Property belonging to a beneficiary of land reform or his or her heirs, provided that this exclusion expires 10 years from the date on which such a beneficiary's title deed is registered in the office of the registrar of deeds;
- 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 that one or more components of the property are used for residential purposes;
- A property registered in the name of and primarily used as a place of public worship by a religious community, including an official residence registered in the name of that community and occupied by an office-bearer of that community who officiates at services at that place of worship.

(The remaining part of this Section deals with situations where the respective exemptions expire.)

SECTION 18: EXEMPTION OF MUNICIPALITIES FROM THE PROVISIONS OF SECTION 17

A municipality may apply in writing to the Minister of Provincial and Local Government for exemption from the application of the exemptions granted concerning the first R15,000 of the market value of residential and mixed-use property if the municipality can demonstrate that such exclusions jeopardize or impede its ability or right to exercise its powers or perform its functions within the meaning of the Constitution.

SECTION 1G: IMPERMISSIBLE DIFFERENTIATION

A municipality may not levy the following:

- Different rates on residential properties (except where transitional arrangements apply or where some of the properties are newly taxable);
- A rate on non-residential properties that exceeds a prescribed ratio to the rate on residential properties;
- Property rates that unreasonably discriminate between categories of non-residential properties.

SECTION 20: LIMITATIONS ON ANNUAL INCREASES IN PROPERTY RATES

The Minister of Provincial and Local Government may, with the concurrence of the Minister of Finance and by notice in the Government Gazette, place an upper limit on the percentage by which property rates or a rate on a specific category of properties may be increased. Different limits may be set for different types of municipalities or different categories of properties.

The Minister may, on written application by a municipality, and if good cause is shown, exempt such municipality from a limit set as mentioned above.

SECTION 21: MANDATORY PHASING IN OF CERTAIN PROPERTY RATES

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

SECTION 22: SPECIALIZED PROPERTY RATES AREAS (ABRIDGED)

A municipality may, by a decision of its council, determine an area within that municipality as a special property rates area, levy an additional rate on property in that area to raise funds to improve or upgrade that area, and differentiate between categories of properties when levying such additional property rates.

To determine such a special property rates area, the municipality must follow 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 property rates area who will be liable for the payment of the additional property rates.

The levying of an additional property rate may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special

property rates area must be consistent with the objectives of the municipality's Integrated Development Plan (IDP).

SECTION 23: REGISTRATION OF PROPERTIES

The municipality must compile and maintain a register of all property located within that municipality and divide such register into part A and 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 roll are subject to:

- An exemption from property rates under Section 15 of the current Act;
- A rebate or reduction in the property rates under Section 15;
- A phasing in of the property rates under 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 at its disposal, the register must also be displayed on that website.

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

SECTION 24: PROPERTY RATES PAYABLE BY OWNERS

A rate levied by a municipality on property must be paid by the owner of the property.

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

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

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

The property rates levied by a municipality on a sectional title unit must be paid by the owner of the unit.

The municipality may not recover the property rates on such sectional title unit, or any part of such rates, from the corporate body that controls the sectional title scheme, except where the corporate body itself is the owner of any specific sectional title unit.

SECTION 26: METHOD AND DATE OF PAYMENT

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

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

SECTION 27: ACCOUNTS TO BE RENDERED

A municipality must provide each person liable for the payment of property rates with a written account specifying:

- The amount due for property 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 mandatory phasing-in discount under Section 21, the amount of the discount; and
- If the property is subject to any additional property rates under Section 22, the amount due for the additional property rates.

The person liable for the payment of the property 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 inquiries with the municipality.

SECTION 28: RECOVERY OF OVERDUE PROPERTY RATES FROM TENANTS OR OCCUPIERS

If an amount due for rates levied concerning property is not paid by the date determined by the municipality for payment, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, regardless of any contractual obligations on the tenant or occupier to the contrary. The municipality may only recover an amount after giving written notice to the tenant or occupier.

The amount the municipality may recover from the tenant or occupier is limited to the amount of 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 PROPERTY RATES FROM AGENTS

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

The amount 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 payable to the agent.

SECTION 30: GENERAL VALUATION AND PREPARATION OF VALUATION ROLLS

A municipality intending to levy a rate on property must ensure that a general valuation of all properties in the municipality is conducted and must prepare a valuation roll of all properties in accordance with such valuation.

All taxable properties in a municipal area must be valued at the time of such general valuation, including all properties fully or partially exempt from property rates under Section 17 of the current Act. However, if the municipality does not intend to levy rates on its own property, on public service infrastructure owned by a municipal entity, and on properties where it is impossible or unreasonably difficult to determine a market value due to legally uncertain property rights arising 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 exempt from property rates under Section 17 if the municipality can demonstrate that, given its financial and administrative capacity, the valuation of such properties would place an undue burden on it.

Properties not valued due to any of the above considerations must still be included in the valuation roll.

SECTION 31: DATE OF VALUATION

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

The general valuation must reflect the market value of properties in accordance with market conditions as of the date of valuation and in accordance with any other applicable provisions of the current Act.

SECTION 32: COMMENCEMENT OF PERIOD OF VALIDITY OF VALUATION ROLL (ABRIDGED)

A valuation roll takes effect from the beginning of the financial year following the completion of the public inspection period required by the current Act and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total for no more than four 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 for a period of five financial years and only under specified circumstances.

SECTION 46: GENERAL BASIS FOR VALUATION (ABRIDGED): CHAPTER 4 VALUATION CRITERIA

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

SECTION 47: VALUATION OF PROPERTY IN SECTIONAL TITLE SCHEMES

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

SECTION 77: GENERAL: UPDATING OF VALUATION ROLLS

A municipality must regularly, but at least once a year, update its valuation roll and ensure that a supplementary valuation roll is prepared or that the valuation roll itself is amended.