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**MAKANA MUNICIPALITY**

**PROPERTY RATES BY-LAW**

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<b>BY-LAW NUMBER:</b>	(F) 8
<b>BY-LAW NAME</b>	Property Rates By-Law
<b>BY-LAW STATUS</b>	Final
<b>VERSION</b>	No. 1
<b>DATE OF APPROVAL</b>	26 May 2016
<b>DATE OF FIRST IMPLEMENTATION</b>	1 July 2016
<b>DATE OF LAST AMENDMEND</b>	12 May 2016
<b>DATE OF NEXT REVIEW</b>	April 2015
<b>PURPOSE</b>	See By-Law
<b>AIMS AND OBJECTIVES</b>	This document describes the Property Rates By-Law that will be applicable to the Makana Municipality, with effect from 1 July 2016
<b>BY-LAW CUSTODIAN</b>	Directorate: Budget And Treasury
<b>RELATED POLICIES AND LEGISLATION</b>	<ul style="list-style-type: none"><li>• Constitution of the Republic of South Africa 1996, Act 108 of 1996,</li><li>• Municipal Property Rates Act No.6 Of 2004;</li><li>• Municipal Systems Act No: 32 Of 2000</li><li>• Municipal Finance Management Act No: 56 Of</li></ul>

Makana Municipality Property Rates By-Law

	2003
<b>APPROVING AUTHORITY</b>	Council
<b>APPLICABILITY</b>	This By-Law applies to the rates payers of the municipality.
<b>BY-LAW BENCHMARK AND REFERENCES</b>	
<b>STAKEHOLDERS CONSULTED</b>	Yes

**PROPERTY RATES BY-LAW**

The By-Law was adopted by Council on..... and will be effective from.....

**Makana Municipality**, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act No 6, of 2004 has by way of a Council Resolution adopted the Municipality's Property Rates By-Law set out hereunder. The Act No 6 requires a municipality to adopt by-laws to give effect to the implementation of its rates policy.

Now therefore the Municipal Council of Makana Local Municipality approves and adopts the following rates by-law.

**PREAMBLE:**

**WHEREAS** section 229(1) of the Constitution requires a municipality to impose rates on property and surcharges on fees for the services provided by or on behalf of the municipality.

**AND WHEREAS** section 31 of the Municipality Systems Act read with section 162 of the Constitution require a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province.

**AND WHEREAS** section 6 of the Local Government: Municipal Property Rates Act, No 6, of 2004 requires a municipality to adopt by- laws to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates;

**NOW THEREFORE IT BE ENACTED** by the Council of Makana Municipality, as follows:

## 1. DEFINITIONS

In this by-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, No 6, of 2004 shall bear the same meaning unless the context indicates otherwise.

“**Municipality**” means (Makana Municipality)

“**Property Rates Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004)

“**Rates Policy**” means the policy on levying of rates on rateable properties of Makana Municipality, contemplated in chapter 2 of the Municipal Property Rates Act.

## 2. OBJECTS

The object of this by-law is to give effect to the implementation of the Rates Policy as contemplated in section 6 of the Municipal Property Rates Act.

## 3. ADOPTION AND IMPLEMENTATION OF RATES POLICY

- 3.1 The Municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on the levying of rates on rateable property within the jurisdiction of the municipality; and
- 3.2 The Municipality shall not be entitled to levy rates other than in terms of its Rates Policy.

## 4. CONTENTS OF RATES POLICY

The Rates Policy shall, *inter alia*:

- 4.1 Apply to all rates levied by the Municipality pursuant to the adoption of its Annual Budget;
- 4.2 Comply with the requirements for:
  - 4.2.1 The adoption and contents of rates policy specified in section 3 of the Act;
  - 4.2.2 The process of community participation specified in section 4 of the Act; and
  - 4.2.3 The annual review of Rates Policy specified in section 5 of the Act.
- 4.3 Provide for principles, criteria and implementation measures that are consistent with the Municipal Property Rates Act for the levying of rates which the Council may adopt; and
- 4.4 Provide for enforcement mechanisms that are consistent with the Municipal Property Rates Act and the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000).
- 4.5 All ratepayers within a specific category, as determined by the municipal council from time to time, must be treated equitably.
- 4.6 Relief measures in respect of the payment of rates may not be granted on an individual basis, other than by way of exemption, rebate or reduction.
- 4.7 Exemptions, rebates and reductions must be used to alleviate the rates burden on certain categories of owners and certain categories of property.

**5. CATEGORIES OF PROPERTIES FOR THE PURPOSE OF LEVYING DIFFERENT RATES**

- (1) In determining whether a property forms part of a particular category, the actual use of the property will be the determining factor and any change in actual use of a property will result in a change of category. In the case of residential properties with permitted use in terms of any other legislation, the permitted use will determine the category.
- (2) In the case of vacant land, the permitted use in terms of any legislation, including any town and land use management system will determine its category. In the absence of such legislation, which regulates the use of properties, the most feasible use will determine its category.
- (3) The municipality determines categories of properties based on the use of the property and of the permitted use of the property.
- (4) The Municipality does not value Real Rights except Public Service Infrastructure, Municipal Leases and Developers Rights of Extension in Sectional Title Schemes.

**6. CRITERIA FOR INCREASING OF RATES**

- (1) The municipal council will consider increasing rates annually during the budget process in terms of the guidelines issued by the National and Provincial Government from time to time.
- (2) The following may be taken into account for the purpose of increasing/decreasing rates:
  - (a) Priorities of the municipality reflected in its Integrated Development Plan.
  - (b) Rate increases will be used to finance the increase in operating costs of community and subsidised services.
  - (c) All salary and wage increases as agreed at the South African Local Government Bargaining Council.
  - (d) An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds.
  - (e) Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
  - (f) A need for management of rates shocks.
  - (g) Affordability of rates to ratepayers.
  - (h) Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during a budget review process.

**7. ENFORCEMENT OF THE RATES POLICY**

The Municipality's Rates Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

**8. SHORT TITLE AND COMMENCEMENT**

This by-law is called the Municipal Property Rates By-law, and takes effect on