

COLLINS CHABANE LOCAL MUNICIPALITY

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



DRAFT RATES POLICY

COUNCIL RESOLUTION: XXXXXXXXXXXXXXXX

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1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Municipal Property Rates Act, 2004 (Act 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 a municipality may impose rates on property.
- 1.3 In terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) a municipality in accordance with -
- (a) Section 2(1), may levy a rate on property in its area; and
 - (b) Section 2(3), must exercise its power to levy a rate on property subject to -
 - (i) Section 229 and any other applicable provisions of the Constitution;
 - (ii) the provisions of the Property Rates Act *supra*; and
 - (iii) the rates policy.
- 1.4 In terms of Section 4(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

2. DEFINITIONS

In the “**Act**”, meaning the Municipal Property Rates Act, 2004 (Act 6 of 2004) and this policy, unless the context indicates otherwise -

- 2.1 “**agent**”, in relation to the owner of a property, means a person appointed by the owner of the property -
- 2.1.1 to receive rental or other payments in respect of the property on behalf of the owner; or
 - 2.1.2 to make payments in respect of the property on behalf of the owner;
- 2.2 “**agricultural purpose**”, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;
- 2.3 “**agricultural use**” means land used or a building designed or used for the purposes of arable land, grazing ground, pig farming, horticulture, poultry farming, dairy farming, breeding and keeping of livestock, bookkeeping, forestry, mushroom and vegetable farming, floriculture, orchards and any other activities normally regarded as incidental to farming activities or associated therewith, but does not include a nursery;
- 2.4 “**annually**” means once every financial year;
- 2.5 “**annexure**” means the documents containing, *inter alia*, stipulations, restrictions and special rights and conditions applicable to that property, as shown on the “A”-series of the Map and forming part of this scheme;

- 2.6 “**appeal board**” means a valuation appeal board established in terms of Section 56;
- 2.7 “**assistant municipal valuer**” means a person designated as an assistant municipal valuer in terms of Section 35(1) or (2) of the Act;
- 2.8 “**bottle store**” means the use of land or a building designed or used for the purposes of retail trade in liquor as defined in the Liquor Act, 1989 (Act 27 of 1989) and in which case a liquor store license in terms of the provisions of the Liquor Act, 1989 (Act 27 of 1989) has been granted or is required;
- 2.9 “**building**” shall also include a structure of any nature or description whatsoever;
- 2.10 “**category**” -
- 2.10.1 in relation to property, means a category of properties determined in terms of Section 8; and
- 2.10.2 in relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;
- 2.11 “**commercial use**” means land used or a building designed or used for such purposes as distribution centers, wholesale trade, storage, computer centers, warehouses, cartage- and transport services and laboratories and may also include offices such as are usually ancillary to or reasonably necessary in connection with the main use.
- 2.12 “**data-collector**” means a person designated as a data-collector in terms of Section 36 of the Act *supra*;
- 2.13 “**date of promulgation**” means the date on which the Administrator gave notice of the approval of this Scheme in the Provincial Gazette;
- 2.14 “**date of valuation**” means the date determined by a municipality in terms of Section 31(1) of the Act *supra*;
- 2.15 “**district management area**” means a part of a district municipality which in terms of Section 6 of the Municipal Structures Act *supra* has no local municipality and is governed by that municipality alone;
- 2.16 “**district municipality**” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in Section 155(1) of the Constitution as a Category C municipality;
- 2.17 “**drive-in restaurant**” means land used or a building designed or used as a restaurant or cafe from which food and refreshments are served to patrons who mainly remain seated in motorcars;
- 2.18 “**dwelling-house office**” means the use of land or a building (normally the existing dwelling-unit) partially or entirely for “office” or “office use”; provided that the development on the erf maintains a residential character (house and garden) and that it may also be used for residing purposes by a person/persons directly involved with the function of the dwelling-house office;
- 2.19 “**dwelling-house shop**” means the use of land or a building (normally the existing single dwelling-unit) for the selling of arts and crafts, art orientated or similar products, partially

or entirely manufactured on the erf; provided that the development on the erf maintains a residential character (house and garden) and that it may also be used for residing purposes by a person/persons directly involved with the function of the dwelling-house shop;

2.20 **"dwelling-unit"** means a self-contained suite of rooms mutually connected and containing not more than one kitchen designed or used as a residence for a single family, but excludes any form of temporary structure; provided that where reference is made to a single dwelling-unit in this policy, it shall mean an ordinary dwelling-house.

2.21 **"effective date"** -

2.21.1 in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act *supra*; or

2.21.2 in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2)(b) of the Act *supra*;

2.22 **"erection of a building"** also includes the structural alteration of, or the making of any addition to a building;

2.23 **"escort agency"** means the use of land or a building for the conducting of a business by making available the services of an escort, either male or female, to somebody else;

2.24 **"exclusion"**, in relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act *supra*;

2.25 **"exemption"**, in relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act *supra*;

2.26 **"existing building"** means a building erected in accordance with building plans approved by the local authority or a building considered by the local authority to be lawful and the building operations of which -

2.26.1 were completed on or before the date of promulgation, or

2.26.2 in the opinion of the local government, were commenced within a reasonable time before date of promulgation, but were only completed thereafter, or

2.26.3 were completed in accordance with the conditions imposed by the local government when granting its permission;

2.27 **"family"** means -

2.27.1 a single person who maintains an independent household, or

2.27.2 two or more persons who are related in one of the following ways and who maintain a joint household -

2.27.2.1 by blood or marriage

2.27.2.2 by adoption

- 2.27.2.3 who is a dependent of a family head, the latter being a taxpayer as defined in the Income Tax Act, 1962 (Act 58 of 1962), as amended;
- 2.28 **“financial year”** means the period starting from 1 July in a year to 30 June the next year;
- 2.29 **“filling station”** means land used or a building designed or used for the purposes of fuelling, washing, polishing and lubrication of motor vehicles, including incidental and routine maintenance but excluding a public garage, panel beating, spray painting and any major repairs;
- 2.30 **“hotel”** means a building licensed for the sale of liquor and used for the formal and regular provision of accommodation and meals, as well as coexistent services, facilities and activities;
- 2.31 **“Income Tax Act”** means the Income Tax Act, 1962 (Act 58 of 1962);
- 2.32 **“industrial use”** means the use of land or a building designed or used as a factory within the meaning of the Factories, Machinery and Building Works Act, 1941 (Act 22 of 1941) and any amendments thereof and includes any office or other building on the same site, the use of which is incidental to, or reasonably necessary in connection with the use of such factory but shall not include noxious industrial uses, a single dwelling-unit, dwelling-units and public garages;
- 2.33 **“institution”** means use of land or a building designed or used as a public or charitable institution, hospital, nursing home, sanatorium, clinic and associated offices and consulting rooms, whether public or private, but does not include land or buildings designed or used exclusively or principally for any of the following purposes, namely -
- 2.33.1 a hospital, sanatorium or clinic for the treatment of infectious or contagious diseases,
- 2.33.2 an institution or home for mentally defectives,
- 2.33.3 a mental hospital,
- 2.33.4 any building or premises associated with the boarding of animals,
- 2.33.5 any institution consisting mainly of offices;
- 2.34 **“land reform beneficiary”**, in relation to a property, means a person who -
- 2.34.1 acquired the property through -
- 2.34.1.1 the Provision of Land and Assistance Act, 1993 (Act 126 of 1993), or
- 2.34.1.2 the Restitution of Land Rights Act, 1994 (Act 22 of 1994);
- 2.34.2 holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- 2.34.3 holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

- 2.35 “**land tenure right**” means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004;
- 2.36 “**light industrial use**” means the use of land or a building designed or used as an industry in which the power machinery installed is driven by electricity, no single motor being rated at more than 3 kW with a total maximum of 24 kW for all motors; provided that a total demand of 40 kVa on the site shall not be exceeded and the maximum number of persons actively engaged on the site being restricted to twenty; Any office or other activity, ancillary thereto, but excluding a "noxious industrial use" "single dwelling-unit" "dwelling-units" and "public garage", is included;
- 2.37 “**local community**”, in relation to a municipality –
- 2.37.1 means that body of persons comprising –
- 2.37.1.1 the residents of the municipality,
- 2.37.1.2 the ratepayers of the municipality,
- 2.37.1.3 any civic organizations and non-governmental, private sector or labor organizations or bodies which are involved in local affairs within the municipality,
- 2.37.1.4 visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality, and
- 2.37.2 includes, more specifically, the poor and other disadvantaged sections of such body of persons;
- 2.38 “**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;
- 2.39 “**market value**”, in relation to a property, means the value of the property determined in accordance with Section 46 of the Act *supra*;
- 2.40 “**MEC for Local Government**” means the member of the Executive Council of a province who is responsible for local government in that province;
- 2.41 “**metropolitan municipality**” means a municipality that has exclusive executive and legislative authority in its area, and which is described in Section 155(1) of the Constitution as a Category A municipality;
- 2.42 “**Minister**” means the Cabinet member responsible for local government;
- 2.43 “**motor graveyard**” means land used or a building designed or used for the purposes of dumping and abandoning disused motor vehicles, and parts thereof, other than for purposes of re-sale or further use;
- 2.44 “**motor sales mart**” means land used with or without ancillary buildings for the display and sale of roadworthy vehicles, but does not include any form of a workshop;
- 2.45 “**multiple purposes**”, in relation to a property, means the use of a property for more than one purpose;

- 2.46 **“municipal council”** or **“council”** means a municipal council referred to in Section 18 of the Municipal Structures Act *supra*;
- 2.47 **“Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);
- 2.48 **“municipality”**-
- 2.48.1 as a corporate entity, means a municipality described in Section 2 of the Municipal Systems Act *supra*; and
- 2.48.2 as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998);
- 2.49 **“municipal manager”** means a person appointed in terms of Section 82 of the Municipal Structures Act *supra*;
- 2.50 **“municipal purposes”** means such purposes as the local government may be authorized to carry out in terms of the Local Government Ordinance, 1939 (Ordinance 17 of 1939), as amended, or any other legislation;
- 2.51 **“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);
- 2.52 **“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);
- 2.53 **“municipal valuer”** or **“valuer of a municipality”** means a person designated as a municipal valuer in terms of Section 33(1);
- 2.54 **“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which the Act took effect, excluding –
- 2.54.1 a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- 2.54.2 a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 2.55 **“nominal rent rate”** nominal rental as determined by Council from time to time for the leasing of Council property.
- 2.56 **“noxious industrial use”** means the use of land or a building designed or used for the purpose of carrying on an offensive trade as set out in Item 1 of Schedule 1 to the Licenses Ordinance, 1974 (Ordinance 19 of 1974); provided that upon producing a certificate issued by the Chief Medical Officer of Health in conjunction with the Factories Inspector to the effect that, the process which is to be employed in the industry will eliminate the noxious nature and danger thereof, such a use may, with the written permission of the local government, be allowed in the Industrial 2 use zone;
- 2.57 **“occupier”**, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;
- 2.58 **“office”** means a building or part of a building used or designed to be used for administrative and/or clerical purposes;

- 2.59 **“office use”** means the use of land or a building designed or used as professional suites, offices or for similar business purposes but does not include a shop, service industry, a place of amusement, or any use mentioned, whether by way of inclusion or exclusion, in the definition of “institution”, “public garage”, “filling station”, “drive-in restaurant”, “industrial use”, “light industrial use”, “commercial use” or “noxious industrial use”;
- 2.60 **“organ of state”** means an organ of state as defined in Section 239 of the Constitution;
- 2.61 **“owner” –**
- 2.61.1 in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- 2.61.2 in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- 2.61.3 in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- 2.61.4 in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases -
- 2.61.4.1 a trustee, in the case of a property in a trust excluding state trust land;
- 2.61.4.2 an executor or administrator, in the case of a property in a deceased estate;
- 2.61.4.3 a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- 2.61.4.4 a judicial manager, in the case of a property in the estate of a person under judicial management;
- 2.61.4.5 a curator, in the case of a property in the estate of a person under curatorship;
- 2.61.4.6 a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- 2.61.4.7 a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- 2.61.4.8 a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

- 2.62 “**parking garage**” means land used or a building designed or used exclusively for the parking of motor vehicles not being for trade or sale;
- 2.63 “**person**” includes an organ of state;
- 2.64 “**permitted use**” in relation to a property means the limited purposes for which the property may be used in terms of –
- 2.64.1 any restrictions imposed by –
- 2.64.1.1 a condition of title;
- 2.64.1.2 a provision of a town planning or land use scheme; or
- 2.64.1.3 any legislation applicable to any specific property or properties; or
- 2.64.2 any alleviation of any such restrictions;
- 2.65 “**place of amusement**” means land used or a building designed or used as a public hall, theatre, cinema, music hall, concert hall, billiard saloon, sports arena, skating rink, dance hall or the like with a view to financial gain;
- 2.66 “**place of instruction**” means land used or a building designed or used as a school, college, technical institute, academic lecture hall, or other centre of education or instruction and includes a monastery, convent, public library, art gallery, museum and gymnasium, but does not include a building designed for use wholly or principally as a reformatory or industrial school;
- 2.67 “**place of public worship**” means land used or a building designed or used as a church, chapel, oratory, meeting house, synagogue, mosque or other place of public devotion, and includes a building such as a Sunday school, rectory and an institute or social hall on the same site as, and associated with, any of the foregoing buildings but shall not include a funeral chapel;
- 2.68 “**prescribe**” means prescribe by regulation in terms of Section 83 of the Act *supra*;
- 2.69 “**private club**” means land used or a building designed or used as a private meeting place for an association of persons meeting with a common objective;
- 2.70 “**private open space**” means an open space to which the general public has no right of access and which is used as a private sport and playground or as an ornamental garden;
- 2.71 “**property**” means –
- 2.71.1 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;
- 2.71.2 a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- 2.71.3 a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- 2.71.4 public service infrastructure;
- 2.72 “**property register**” means a register of properties referred to in Section 23 of the Act *supra*;

- 2.73 “**protected area**” means an area that is or has to be listed in the register referred to in Section 10 of the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003);
- 2.74 “**Protected Areas Act**” means the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003);
- 2.75 “**publicly controlled**” means owned by or otherwise under the control of an organ of state, including –
- 2.75.1 a public entity listed in the Public Finance Management Act, 1999 (Act 1 of 1999);
- 2.75.2 a municipality; or
- 2.75.3 a municipal entity as defined in the Municipal Systems Act *supra*;
- 2.76 “**public garage**” means land used or a building designed or used for the purposes of storage, repair, parking, fuelling and sale of motor vehicles and motor accessories and includes on the same site the conduct of a retail trade ordinarily incidental to or reasonably necessary in connection with a public garage but excluding panel beating spray painting and a parking garage;
- 2.77 “**public open space**” means an open space to which the general public has access and includes, *inter alia* a park, garden, play park, recreational park or square;
- 2.78 “**public service infrastructure**” means publicly controlled infrastructure of the following kinds -
- 2.78.1 national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- 2.78.2 water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- 2.78.3 power stations, power substations or power lines forming part of an electricity scheme serving the public;
- 2.78.4 gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- 2.78.5 railway lines forming part of a national railway system;
- 2.78.6 communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- 2.78.7 runways or aprons at national or provincial airports;
- 2.78.8 breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising

- lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- 2.78.9 any other publicly controlled infrastructure as may be prescribed; or
- 2.78.10 rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);
- 2.79 **“privately developed townships”** means a property, farm portion or holding on which a township has been established which are owned by a single owner who is not the Council which consists of at least 10 proposed subdivisions/stands, and where necessary infrastructure like water, sewerage, electricity, paved roads etc are installed. Also referred to as the” township **owner interest”**;
- 2.80 **“rate”** means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;
- 2.81 **“rate able property”** means property on which a municipality may in terms of Section 2 of the Act *supra* levy a rate which includes property registered in the name of the municipality and which is let by the municipality for more than a nominal rent as determined by the municipality as well as an unregistered property that is owned by Council and which is disposed of, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;
- Note:** Municipal properties shall include properties owned by municipal entities. Influence of Section 7(2) and Section 30(2)(a) of the Act *supra*.
- 2.82 **“rebate”**, in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act *supra* on the amount of the rate payable on the property;
- 2.83 **“reduction”**, in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act *supra* of the amount for which the property was valued and the rating of the property at that lower amount;
- 2.84 **“register”** –
- 2.84.1 means to record in a register in terms of –
- 2.84.1.1 the Deeds Registries Act, 1937 (Act 47 of 1937); or
- 2.84.1.2 the Mining Titles Registration Act, 1967 (Act 16 of 1967); and
- 2.84.2 includes any other formal act in terms of any other legislation to record –
- 2.84.2.1 a right to use land for or in connection with mining purposes; or
- 2.84.2.2 a land tenure right;
- 2.85 **“residential property”** means a property included in a valuation roll in terms of section 48 (2) (b) of the Act *supra* as residential;
- 2.86 **“Sectional Titles Act”** means the Sectional Titles Act, 1986 (Act 95 of 1986);
- 2.87 **“sectional title scheme”** means a scheme defined in Section 1 of the Sectional Titles Act *supra*;

- 2.88 “**sectional title unit**” means a unit defined in Section 1 of the Sectional Titles Act *supra*;
- 2.89 “**shop**” including a café means land used or a building designed or used for the purposes of carrying on retail trade and the necessary accompanying storage and packaging and also includes a use on the same site which is ordinarily incidental to the conduct of the retail business thereon; provided that the floor space of such ancillary activities shall not exceed 10% of the gross floor space and provided further that such activities shall not give rise to any disturbance or nuisance. A noxious industrial use, drive-in restaurant, scrap yard, commercial use, filling station, parking garage, place of amusement or public garage, *inter alia*, shall not be considered ancillary activities to a “shop” for the purposes of this policy;
- 2.90 “**special use**” means land used or a building designed or used for any use other than one of the uses specifically defined in this policy and/or mentioned in the definitions;
- 2.91 “**special rating area**” according to the Section 22 of the Act *supra*;
- 2.92 “**specified public benefit activity**” means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act *supra*;
- 2.93 “**state trust land**” means land owned by the state –
- 2.93.1 in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- 2.93.2 over which land tenure rights were registered or granted; or
- 2.93.3 which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994); “this Act” includes regulations made in terms of Section 83.
- 2.94 “**supplementary valuation roll**” as compiled in terms of Chapter 8 of the Act *supra*;
- 2.95 “**tariff**” as determined by Council from time to time;
- 2.96 “**zone**” means a portion of the area of the applicable Town Planning Scheme shown on the map by distinctive notations or edging or in some other distinctive manner for the purposes of indicating the restrictions imposed on the erection and use of buildings or the use of land.
- 2.96.1 In this Act, a word or expression derived from a word or expression defined in Subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended;
- 2.97 “**zoning**” relates to the permitted use contemplating in the wording of the MPRA and described in the definitions.

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act *supra* as an amount in the Rand based on the market value of all rate able property contained in the municipality's valuation roll and supplementary valuation roll. Ratable property shall include any rights registered against such property, with the exception of a mortgage bond.
- 3.2 As allowed for in the Act *supra*, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as in terms of paragraph 14 of this policy and prescribed by and subject to all relevant legislation.
- 3.4 The Rates Policy of Council is based on the following principles:

3.4.1 Equity

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

3.4.2 Affordability

The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.

3.4.3 Sustainability

Rating of property will be implemented in a way that -

3.4.3.1 it supports sustainable local government by providing a stable a buoyant revenue source within the discretionary control of the municipality; and

3.4.3.2 supports local and social economic development.

3.4.4 Cost-efficiency

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

4. SCOPE OF THE POLICY

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

5. APPLICATION OF THE POLICY

In imposing the rate in the Rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy.

6. IMPOSITION OF RATES

- 6.1 Council shall endeavor to limit each annual increase to the increase in the Consumer Price Index, except when a greater increase is recommended and the approval of National Treasury is obtained.
- 6.2 Council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.
- 6.3 Council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad debts, equal at least 25% (twenty-five percent) of the municipality's aggregate budgeted net revenues for the financial year concerned.

7. CLASSIFICATION OF SERVICES AND EXPENDITURE

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

7.1.1 Trading services

7.1.1.1 Water.

7.1.1.2 Electricity.

*Both services are not applicable to Collins Chabane Local Municipality is not the authority.

7.1.2 Economic services

7.1.2.1 Refuse removal.

7.1.2.2 Sewerage disposal.

*Sewerage disposal is not applicable to Collins Chabane Local Municipality as is not the authority.

7.1.3 Community services

7.1.3.1 Air pollution.

7.1.3.2 Fire-fighting services.

7.1.3.3 Local tourism.

- 7.1.3.4 Municipal planning.
- 7.1.3.5 Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law.
- 7.1.3.6 Storm water management system in built-up areas.
- 7.1.3.7 Trading regulations.
- 7.1.3.8 Fixed billboards and the display of advertisements in public places.
- 7.1.3.9 Cemeteries.
- 7.1.3.10 Control of public nuisances.
- 7.1.3.11 Control of undertakings that sell liquor to the public.
- 7.1.3.12 Township development.
- 7.1.3.13 Facilities for accommodation, care and burial of animals.
- 7.1.3.14 Fencing and fences.
- 7.1.3.15 Licensing of dogs.
- 7.1.3.16 Licensing and control of undertakings that sell food to the public.
- 7.1.3.17 Local amenities.
- 7.1.3.18 Local sport facilities.
- 7.1.3.19 Municipal parks and recreation.
- 7.1.3.20 Municipal roads.
- 7.1.3.21 Noise pollution.
- 7.1.3.22 Pounds.
- 7.1.3.23 Public places.
- 7.1.3.24 Street trading/street lighting.
- 7.1.3.25 Traffic, safety, disaster management and parking.
- 7.1.3.26 Building control.
- 7.1.3.27 Licensing of motor vehicles and transport permits.
- 7.1.3.28 Nature reserves, bird sanctuaries.
- 7.1.3.29 Forestry.

7.1.4 Subsidized services

- 7.1.4.1 Health.
- 7.1.4.2 Libraries and museums.
- 7.1.4.3 Proclaimed roads.

7.2 Trading and economic services must be ring-fenced and financed from service charges while community and subsidized services will be financed from profits on trading and economic services, regulatory fees, rates and rates related income.

7.3 **Expenditure** will be classified in the following **categories**:

- 7.3.1 Salaries, wages and allowances.
- 7.3.2 Bulk purchases (not applicable to Collins Chabane Municipality)
- 7.3.3 General expenditure.
- 7.3.4 Repairs and maintenance.
- 7.3.5 Stores.
- 7.3.6 Capital charges (interest and redemption)/depreciation.
- 7.3.7 Contribution to fixed assets.
- 7.3.8 Contribution to funds -

- 7.3.8.1 bad debts,
- 7.3.8.2 working capital; and statutory funds.

- 7.3.9 Contribution to reserves.
- 7.3.10 Gross expenditure (7.3.1 to 7.3.8).
- 7.3.11 Less charge-out (Inter departmental charge-outs).
- 7.3.12 Net expenditure (7.3.9 – 7.3.10).
- 7.3.13 Income.
- 7.3.14 Surplus/Deficit.

7.4 **Cost centers** will be created to which the costs associated with providing the service can be allocated -

- 7.4.1 by department (functions);
- 7.4.2 by section/service; and
- 7.4.3 by division/service.

7.5 The subjective classification of expenditure each with a unique vote will be applied to all cost centers.

8. BENEFIT TO THE COMMUNITY

8.1 The benefit to the community of granting relief measures will be -

- 8.1.1 the promotion of local economic development including attracting business investment, for example small business establishment;
- 8.1.2 creation of employment for municipal residents;
- 8.1.3 promotion of service delivery, for example by farmers;

- 8.1.4 poverty alleviation to the indigents;
- 8.1.5 social development and moral development, for example, by religious institutions, sports institutions, schools and other non-governmental organizations which promote health and other benefits to the community; and
- 8.1.6 improved local economic growth.

9. CATEGORIES OF PROPERTY

9.1 According to Section 8.1 of the Property Rates Act supra, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of ratable property and these categories may be determined according to -

- 9.1.1 use of property,
- 9.1.2 permitted use of property,

9.2 That categories of ratable property that may be determined include the following:

- 9.2.1 Residential properties.
- 9.2.2 Business and commercial properties.
- 9.2.3 Industrial properties.
- 9.2.4 Mining properties.
- 9.2.5 Public service infrastructure.
- 9.2.6 Public benefit organizations.
- 9.2.7 Agricultural properties used for agricultural purposes.
- 9.2.8 Agricultural properties used for eco-tourism or conservation.
- 9.2.9 Agricultural properties used for the trading in or hunting of game.
- 9.2.10 Agricultural properties used for other business and commercial purposes.
- 9.2.11 Agricultural properties used for residential properties.
- 9.2.12 Agricultural properties used for purposes other than those specified above state-owned properties;
 - 9.2.12.1 State properties that provide local services,
 - 9.2.12.2 State properties that provide regional/municipal district-wide service,
 - 9.2.12.3 State properties that provide provincial/national service.
- 9.2.13 Municipal properties.
- 9.2.14 Protected areas.
- 9.2.15 Multiple use properties.
- 9.2.16 Vacant land.
- 9.2.17 Private owned towns serviced by owner or developer.

9.3 The zoning of a property to be used as classification of a category with reference to paragraph 8.1 is due to the following motivation:

- 9.3.1 The zoning of properties is according to the legally accepted register i.e. current Town Planning Scheme and other relevant rights allocated in terms of other legislation.
- 9.3.2 The zoning based categories are based on current applications and existent databases and therefore easier to manage.

- 9.3.3 The valuation process takes into account the permitted use/zoning (Section 46(2)) of the Act *supra* which is reflected in the valuation roll, as well as any the discrepancy if a property is used "above"/ not consistent with the permitted use.
- 9.3.4 The rates category for properties that are in consistent used with the approved zoning will be rated according to the actual use rates category.
- 9.3.5 Multiple usage of a properties is identified on the zoning certificate and can be easier and legally applied.

9.4 In determining whether a property forms part of a particular rating category as indicated in 8.1(2) actual use and permitted use, the municipality shall have regard to the current actual use and permitted use to which the relevant property is placed and other rights allocated in terms of other legislation.

Rating category in terms of Section 8 of the MPRA	actual use and/ permitted use
Residential Properties	<ol style="list-style-type: none"> 1. Residential 1, 2, 3, 4. 2. Special for related residential purposes. 3. Private open space. 4. Agricultural holdings used for residential properties.
Business and Commercial Properties	<ol style="list-style-type: none"> 1. Business 1, 2- 2. Special for business, e.g. resorts, rural shops. 3. Commercial. 4. Amusement. 5. Parking. 6. Garage.
Industrial Properties	<ol style="list-style-type: none"> 1. Industrial 1, 2, 3. 2. Special for related zoning, e.g. mining, quarry – permit based
Institutional Property	<ol style="list-style-type: none"> 1. Institutions. 2. Public and Private Education. 3. Special for related zoning. 5. Places of Worship. 6. Properties zoned/or permitted for historical and heritage use.
Farm Properties– Primary use Agricultural	<ol style="list-style-type: none"> 1. Farm (Primary Agricultural and Single Residential). 2. Special for related zoning or permit.
Farm Property - Primary use Non Agricultural	<ol style="list-style-type: none"> 1. Nature Reserve. 2. Conservancy / Protected Areas – permit based. 3. Special for related zoning – permit based.
Municipal Service Property	<ol style="list-style-type: none"> 1. Municipal uses. 2. Public open space. 3. Streets - Public and Private. 4. Special for related zoning.
Public Service Infrastructure	<ol style="list-style-type: none"> 1. National, Provincial and other public roads. 2. Water or sewer pipes ducts or other conduits.

Rating category in terms of Section 8 of the MPRA	actual use and/ permitted use
	3. Power Stations. 4. Gas or fuel pipelines. 5. Railway lines. 6. Communications masts. 7. Runways, airports. 8. Any publicly controlled services. 9. Rights of way, easements, etc.
State-owned properties	1. All related zonings. 2. Government use.
Privately owned towns serviced by owner/developer	All related zonings.
Properties owned by public benefit organization and used for such public benefit	All related zonings.
Formal/informal settlement	All related zonings.

10. PROPERTIES USED FOR MULTIPLE PURPOSES

10.1 Rates on properties zoned for multiple purposes will be levied according to -

10.1.1 a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated.

10.2 Multiple use purposes properties ~~which fall in residential property category~~ shall be rated on the value assigned by apportionment of the value as indicated in the valuation roll to each component, and shall receive the rebate and tariff applicable to such component. Where one component on average represents 90% or more of the property's actual use, such property shall be rated as though it were used for that use only.

11. DIFFERENTIAL RATING

11.1 Criteria for differential rating on different categories of properties will be according to -

11.1.1 the nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes;

11.1.2 the promotion of social, economic and tourism development of the municipality.

Differential rating among the various property categories will be done by way of reductions, rebates and an additional rate according to Section 22 of the Act *supra*.

12. EXCLUSIONS IN TERMS OF SECTION 17 OF THE ACT SUPRA

- 12.1 Special nature reserve, national park or nature within the meaning of the Protected Areas Act *supra*, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes.
- 12.2 On the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
- 12.2.1 for residential properties; or
- 12.2.2 for properties used for multiple purposes, provided one or more components of the property are used for residential purposes.
- 12.3 On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

13. EXEMPTIONS

- 13.1 The following categories of properties not mentioned in Section 16 and 17 of the Act *supra* will be exempted from rates:

13.1.1 Municipal owned properties

The municipality must exempt the following municipal owned properties from paying rates as this will increase the rates burden or service charges to property owners or consumers:

- 13.1.1.1 rateable properties registered in the name of the municipality and that are let to the employees of the municipality for residential purposes, where it is compulsory due to operational work requirements;
- 13.1.1.2 rateable property registered in the name of another municipality if such property is used in connection with the supply of electricity, water, gas or sewerage services;

13.1.2 Cemeteries and crematoria organizations

Registered in the names of private persons and organizations operated not for gain.

13.1.3 Public Benefit Organizations

The following Public Benefit Organizations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Service (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

3.1.3.1 Health care institutions

Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the patients, laundry or cafeteria facilities; provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

3.1.3.2 Welfare institutions

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

3.1.3.3 Educational institutions

Property belonging to educational institutions declared or registered by law.

3.1.3.4 Independent schools

Property used by registered independent schools for educational purposes only.

3.1.3.5 Charitable institutions

Property belonging to and not operated for gain of institutions or organizations that perform charitable work.

3.1.3.6 Sporting bodies

Property used by an organization whose main purpose is to use the property for sporting purposes on a non-professional and non-profitable basis.

3.1.3.7 Cultural institutions

Properties declared in terms of the Cultural Institutions Act, 1969 (Act 29 of 1969) or the Cultural Institutions Act, 1989 (Act 66 of 1989).

3.1.3.8 Museums, libraries, art galleries, botanical gardens and flora conservancies

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

3.1.3.9 Youth development organizations

Property owned and/or used by organizations for the provision of youth leadership or development programs.

3.1.3.10 Animal welfare

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

13.2 Exemptions will be subject to the following conditions:

- 13.2.1 all applications must be addressed in writing to the municipality in the prescribed manner or application form;
- 13.2.2 a SARS tax exemption certificate must be attached to all applications;
- 13.2.3 the Municipal Manager or his/her nominee must approve all applications;
- 13.2.4 applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
- 13.2.5 the municipality reserves the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

14. REDUCTIONS

14.1 A reduction in the rates in the municipal valuation as contemplated in Section 15(1)(b) of the Act *supra* will be granted where the value of a property is affected by -

- 14.1.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act 57 of 2002); or
- 14.1.2 any other serious adverse social or economic condition(s).

14.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

14.3 All categories of owners can apply for a reduction in the valuation of the property as described above.

14.4 Criteria for granting reductions

- 14.4.1 A reduction in the municipal valuation as contemplated in Section 15(1)(b) of the Act *supra* may be granted where the value of a property is affected by fire damage, demolition or floods.
- 14.4.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

15. REBATES

15.1 The Municipal Manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget component and in the annual financial statements and annual report, and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.

15.2 The Council grants the above rebates in recognition of the following factors:

15.2.1 The inability of “single “residential property to pass on the burden of rates, as opposed to the ability of the owners of businesses, other residential 2, 3, 4, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.

15.2.2 The need to accommodate indigents and less affluent pensioners.

15.2.3 The services provided to the community by public service organizations.

15.2.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.

15.2.5 The need to preserve the cultural heritage of the local community.

15.2.6 The need to encourage the expansion of public service infrastructure.

15.3 Rebates will be granted on application subject to –

15.3.1 a business plan submitted in respect of the company indicating how the local, social and economic development objectives of the municipality are going to be met;

15.3.2 an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;

15.3.3 an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and

15.3.4 approval of the application by a municipal council resolution.

15.4 Categories of property

15.4.1 Business, commercial and industrial zoned properties

15.4.1.1 The municipality may grant rebates to ratable enterprises that promote local, social, tourism and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:

15.4.1.1.1 Job creation in the municipal area;

15.4.1.1.2 social upliftment of the local community; and

15.4.1.1.3 creation of infrastructure for the benefit of the community.

15.4.2 State owned properties

Receive a rebate as stipulated in Schedule A attached to the report, as may be amended by Council resolution from time to time.

15.4.3 Residential zoned properties

The municipality grants a rebate, which applies to improved residential property that is –

- 15.4.3.1 used predominantly for residential purposes, with not more than two dwelling-units per property,
- 15.4.3.2 registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986),
- 15.4.3.3 owned by a share-block company,
- 15.4.3.4 a ratable residence on property used for or related to educational purposes.

15.4.4 Agricultural zoned properties rebate

- 15.4.4.1 Agricultural properties may be granted a rebate subject to the owner providing the municipality with required information in an affidavit.
- 15.4.4.2 Qualifying requirements are that the owner should provide proof that he is registered as a *bona fide* farmer with SARS, or
- 15.4.4.3 where the owner is not taxed as farmer, proof is required that income from farming activities exceeds the percentage as determined by Council in Schedule A attached to the report, as may be amended by Council from time to time.
- 15.4.4.4 Rebates may be granted on the following as outlined in Schedule A attached to the report, as may be amended by Council from time to time, with the exception of properties as listed in Schedule A.

15.4.4.4.1 The contribution of agriculture to the local economy

A rebate will be granted to agricultural property that contributes substantially to job creation, and the salaries/wages of farm workers are reasonable, e.g. if they meet minimum standards set by government or if they are in line with the sector's average.

15.4.5 Nature Reserves / Conservancy

Rebates may be granted on merit by Council resolution after written application to Council.

15.4.6 Historical or heritage properties

Only if open to the general public and operated not for financial gain.

15.4.7 Public Service Infrastructure

A rebate will be granted to Public Service Infrastructure as they provide essential services to the community.

15.5 Categories of owners

15.5.1 Indigent owners

15.5.1.1 According to Council's By-laws pertaining to Credit Control, Debt Collection and Indigents.

15.5.2 Retired and Disabled Persons Rate Rebate

15.5.2.1 Retired and disabled persons qualify for special rebates according to monthly household income. To qualify for this rebate a property owner must -

15.5.2.1.1 occupy the property as his/her normal residence;

15.5.2.1.2 be at least 60 years of age or receive a disability pension from the Department of Social Welfare or other approved pension fund;

15.5.2.1.3 be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding 2 times the government old age pension limit;

15.5.2.1.4 not be the owner of more than one property; provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

15.5.2.1.5 For purpose of calculation the rebate is based on the maximum of a rebate granted to indigents.

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

15.5.1.3 Applications must be accompanied by -

15.5.1.3.1 a certified copy of the bar coded identity document. passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the municipality;

15.5.1.3.2 sufficient proof of income of the owner and his/her spouse;

15.5.1.3.3 an affidavit from the owner;

15.5.1.3.4 if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and

15.5.1.3.5 if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

15.5.1.4 These applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought.

15.5.1.5 The municipality reserves the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

16. COMPULSORY PHASING IN OF RATES

16.1 Newly Rateable Properties

16.1.1 The rates levy on newly rateable property will be phased in over a period of three financial years, starting from the implementation of this Rates Policy.

16.1.2 The phasing-in discount will be determined as in Schedule A attached to the report, as may be amended by Council Resolution.

16.2 Newly Rateable property owned and used by Public Benefit Organizations

16.2.1 Rates levied on newly rateable property owned and used by organizations conducting specified public benefit activities and registered in terms of the Income Tax Act *supra* for those activities will be phased in over a period of four financial years. This phasing in of rates is applicable on Public benefits organizations which have not applied for exemption or the exemption is not granted yet by Council.

16.2.2 The phasing-in discount will be determined as in Schedule A.

16.3 Rates on property belonging to a land reform beneficiary or his/her heirs

16.3.1 The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the Office of the Registrar of Deeds. The ten-year exclusion period must be applied for with proof of the land reform beneficiary.

16.3.2 After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years.

16.3.3 The phasing-in discount will be determined as in Schedule A.

17. SPECIAL RATING AREAS (ABRIDGED)

17.1 A municipality may by a resolution of its Council determine an area within that municipality as a special rating area, levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area, and differentiate between categories of properties when levying such additional rate (Section 22(1)(a) – (c)).

17.2 The levying of an additional rate may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's IDP (Section 22(4)).

18. COST TO THE MUNICIPALITY DUE TO EXEMPTION, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY

18.1 Costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates as reflected in Schedule A.

19. RATES INCREASES

19.1 The municipality may consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury or according to Section 12(3) of the Act *supra* and to rectify specific imbalances identified by Council.

19.2 All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

20. NOTIFICATION OF RATES

20.1 The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective as according to the Budget Policy. Accounts delivered after the 30 days' notice will be based on the new rates.

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

21. PAYMENT OF RATES

21.1 Rates will be levied monthly in twelve equal instalments according to Council's Policy.

21.2 Interest on arrears rates shall be calculated in accordance with the interest rate as determined by Council. Interest will be calculated on arrears longer than 60 days according to the By-laws pertaining to Credit Control, Debt Collection and Indigents.

21.3 If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of Council's By-laws pertaining to Credit Control, Debt Collection and Indigents and in terms of Section 28 and 29 of the Act *supra*. Rates in arrear shall be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act *supra*.

21.4 Where the rates levied on a particular property have been incorrectly determined due to an error, omission or in terms of Section 78(1) of the Act *supra* on the part of the municipality or false information provided by the property owner concerned, or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted back to the date on which rates were first incorrectly levied.

21.5 Rebates and exemptions will only be granted from date received and approval of the application.

22. REGULAR REVIEW PROCESSES

The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

23. SUPPLEMENTARY VALUATION ROL

The Council must establish a supplementary valuation roll at least once a year.

24. SHORT TITLE

This policy is the Property Rates Policy of the Collins Chabane Local Municipality.

25. ENFORCEMENT/IMPLEMENTATION

This policy becomes enforceable once it has been approved by council after public participation.

**SCHEDULE B
SCHEDULE OF EXCLUSIONS AND REBATES IN TERMS OF SECTION 15
OF THE MPRA
2009/2010**

<u>Compulsory Phasing in</u>	% Rebate
All newly rateable properties	
<u>Discount</u>	
First year - 2009/2010	75%
Second year - 2010/2011	50%
Third year - 2011/2012	25%
Fourth year - 2012/2013	0%
Land reform beneficiaries – First 10 years exempted from 2009 to 2019	
<u>Exclusions according to the Act</u>	
Protected areas – special nature reserve, national park or national botanical garden	
Residential property (first R15 000 exclusion on value)	
Public place of worship	

