

EMADLANGENI MUNICIPALITY RATES POLICY

2017/18 Financial year



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RATES POLICY DOCUMENT

PART ONE: PREAMBLE

WHEREAS:

In terms of section 229(1) of the Constitution of the Republic of South Africa (Act 108 of 1996), the municipality has the power to levy rates on property in its area.

The Municipality must, in accordance with the provision of section 3 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) and Section 62 of the Local Government: Municipal Finance Management Act 56 of 2003, the municipality should adopt and implement a rates policy on the levying of rates on ratable properties.

The Council of the Emadlangeni Municipality has resolved to levy rates on the market value of all rateable properties in its area of jurisdiction, as reflected in its property register compiled in terms of section 23 of the Municipal Property Rates Act 2004 (Act No. 6 of 2004), in order to provide a reliable source of revenue to provide basic services and perform its functions.

PART TWO: DEFINITIONS

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property rates Act 6 of 2004 (“the Act”) and for this purpose lists hereunder the definitions used in the Act.

In this Act, unless the context indicates otherwise –

“**Act**”, means Local Government: Municipal property Rates Act, No.6 of 2004

“**Agent**”, in relation to the owner of a property, means a person appointed by the owner of the property –

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner’

“**agricultural property**”, means property that is used primarily for agricultural purpose but without derogating from section 9 of the MPRA, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

“**Annually**” means once every financial year;

“**Appeal board**” means a valuation appeal board established in terms of section 56 of the Act;

“**Assistant municipal valuer**” means a person designated as an assistance municipal valuer in terms of section 35(1) or (2);

“**Category**” –

- (a) In relation to property, means a category of properties determined in terms of section 8; and
- (b) In relation to owners of properties, means a category of owners determined in terms of section 15(2);

“**data-collector**” means a person designated as a data-collector in terms of section 36 of the Act;

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

“**Day**”, means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days

must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

“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;

“Effective date” –

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1); or
- (b) 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);

“Exclusion”, in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17;

“Exemption”, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

“Financial year” means the period starting from 1 July in a year to 30 June the next year;

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“Land reform beneficiary”, in relation to a property, means a person who –

- (a) acquired the property through –
 - (i) The Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993);

or

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

“land tenure right” means land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991(Act No.112 of 1990)

“Local community”, in relation to a municipality –

- (a) Means that body of persons comprising –
 - (i) The residents of the municipality;
 - (ii) The ratepayers of the municipality;
 - (iii) Any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and

(iv) Visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“Market value”, in relation to a property, means the value of the property determined in accordance with section 46;

“MEC for local government” means the Member of the Executive Council of a province who is responsible for local government in that province;

“Mining Property”, Means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002(Act no.28 of 2002)

“Minister” means the Cabinet member responsible for local government;

“Multiple purposes”, in relation to a property, means the use of a property for more than one purpose, subject to Section 9 of the Act;

“Municipal council” or “council” means a municipal council of Emadlangeni Municipality

“Municipal Finance Management Act” means the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“Municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government : Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Municipal Systems Act” means the Local Government : Municipal Systems Act, 2000 (Act No. 32 of 2000);

“Municipal valuer” or “valuer of a municipality” means a person designated as a municipal valuer in terms of section 33(1);

“newly rateable property” means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding -

(a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and

(b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

“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;

“Office bearer”, in relation to places of public worship means the primary person who officiates at services at the place of worship;

“Official residence”, in relation to place of worship, means

- (a) A portion of property used for residential purpose; or
- (b) One residential property used for residential property is not located on the same property as place of worship,

Registered in the name of religious community or registered in a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;

“Organ of state” means an organ of state as defined in section 239 of the Constitution;

“Owner” –

- (a) In relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
- (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);
- (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee, in the case of a property in a trust excluding state trust land;
 - (ii) an executor or administrator, in the case of a property in a deceased estate;

- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A judicial manager, in the case of a property in the state of a person under judicial management;
- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or

- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“Permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) Any restrictions imposed by
 - (i) A condition of title;
 - (ii) A provision of a town planning or land use scheme; or
 - (iii) Any legislation applicable to any specific property or properties; or
- (b) Any alleviation of any such restrictions;

“Person” includes an organ of state;

"place of public worship" means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is—

- (a) Registered in the name of the religious community;

- (b) Registered in the name of a trust established for the sole benefit of a religious community; or

- (c) Subject to a land tenure right;

“Prescribe” means prescribe by regulation in terms of section 83 of the Act;

“Property” means –

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;

“Property register” means a register of properties referred to in section 23 of the Act;

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

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

“Public Benefit Organization”, Means a property where the dominant activity is listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of part 1 of ninth Schedule to the Income tax Act

“Publicly controlled” means owned by or otherwise under the control of an organ of state, including –

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act;

“Public service infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) National, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) Power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) Railway lines forming part of a national railway system;

- (f) Communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways, aprons and the air control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant to air navigation purposes;

"Public service purposes", in relation to the use of a property, means property owned and used by an organ of state as—

- (a) Hospitals or clinics;
- (b) Schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) National and provincial libraries and archives;
- (d) Police stations;
- (e) Correctional facilities; or
- (f) Courts of law,

but excludes property contemplated in the definition of "public service infrastructure";

"Rate" means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

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

"ratio", in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

"Rebate", in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

"reduction", in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

“Register” –

- (a) Means to record in a register in terms of –
 - (i) The Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) The Mining Titles Registration Act, 1967 (Act No. 16 of 1967);And
- (b) includes any other formal act in terms of any other legislation to record –
 - (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

“residential property” means a property included in a valuation roll in terms of section 48(2)(b) of the Act, in respect of which the primary use of permitted use is for residential purpose without derogating from section 9 of the Act;

“Sectional Titles Act” means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

“Sectional title scheme” means a scheme defined in section 1 of the Sectional Titles Act;

“Sectional title unit” means a unit defined in section 1 of the Sectional Titles Act;

“smallholding” for the purposes of this policy means an agricultural holding smaller than a farm in close proximity to urban development which in the opinion of the valuer is classified as such;

“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;

“State trust land” means land owned by the state –

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

“This Act” includes regulations made in terms of section 83.

- (a) 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.

Other Definitions

“Child headed household” means any child who is or is a blood relative of the owner of the property and which child is responsible for the care of siblings or parents.

“Disabled” means a person who qualifies to receive relief in terms of the Social Services Act 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioners;

“Indigent owner” means an owner or property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality’s indigent policy;

”The Municipality” means the Emadlangeni Municipality;

“Owners of property in an area affected by a disaster” means owners of property situated within an area affected by;

- (a) Disaster within the meaning of the **Disaster Management Act 57 of 2002**;
- (b) Any other serious adverse social or economic conditions;

“Pensioner” means

- (a) a person in receipt of a social pension; or
- (b) a person over the age of 60 years; or
- (c) a person who has retired prematurely from employment due to medical reasons.

“Retiree” means a person who has retired from employment in terms of that person’s employment or who has reached the age of a pensioner;

“Temporarily without income” means;

- (a) In the case of an employee –
 - (i) The period of which the person is entitled to benefits in terms of the Unemployment Insurance Act; or
 - (ii) 90 days whichever is the longer; or
- (b) in any other case, a period of 90 days determined from the date of application by that person for relief in terms of the Municipality’s policy;

“Non-profit organizations” means any organization which is registered in terms of the Non-profit Organisations Act.

PART THREE: THE PURPOSE OF THIS POLICY

3. The purpose of this policy is to:

- 3.1 comply with the provisions Section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 3.2 give effect to the principles outlined above;
- 3.3 determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.4 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.5 determine or provide criteria for the determination of categories of properties and categories of owners of properties for categories of properties;
- 3.6 determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.7 determine how the municipality's powers must be exercised in relation to multi purpose properties;
- 3.8 determine measures to promote local economic and social development; and
- 3.9 identify which categories or properties the municipality has elected not to rate as provided for in Section 7 of the Act.

PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS POLICY

The principle of the Act are to regulate the power of the municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair valuation method of properties; to make provision for an objection and appeal process

The principles of the policy are to ensure that:-

- 4.1 the power of the municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital

- or labour in terms of Section 229 of the Constitution of the Republic of South Africa;
- 4.2 all ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
 - 4.3 property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account;
 - 2.3.1 Profits generated on trading and economic services; and
 - 2.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by council from time to time;
 - 4.4 property rates will not be used to subsidise trading and economic services;
 - 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
 - 4.6 this Policy was developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

PART 5: IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE

- 5.1 This policy takes effect from 01 July 2015 being the effective date of the first valuation roll prepared by the municipality in terms of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and must accompany the municipality's budget for the financial year.
- 5.2 The Rates Policy must be reviewed annually, and if necessary amended by the Municipal Council, such amendments to be effected in conjunction with the Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.
- 5.3 The Municipality has adopted by-laws to give effect to the implementation of its Rates Policy and such by-laws must be read in conjunction with this policy. The rates by-laws may differentiate between:
 - 5.3.1 Categories of properties; and
 - 5.3.2 Categories of owners of properties.
- 5.4 The by-laws adopted in terms of Item 1.3 may be reviewed annually, and if necessary be amended by the Municipal Council, in conjunction and in accordance with the Rates Policy.

PART SIX: EQUITABLE TREATMENT OF RATEPAYERS

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. “Equitable” does not necessarily mean “equal” treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner, and within the limitations set out in the Act. The municipality may adopt measures to ensure equitable and fair treatment of ratepayers.
- 6.2 Any differentiation in levying rates must not constitute unfair discrimination.

PART SEVEN: DISCRETIONARY DECISIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

It is recorded that the Municipality has adopted the following resolutions:

- 7.1 To levy rates on all rateable property in its area of jurisdiction.
- 7.2 To determine the date of implementation as provided above.
- 7.3 To determine the date of general valuation as 1 July 2013.
- 7.4 To levy different cents in the rand for different categories of rateable property.
- 7.5 That the categories of properties for the purpose of differential rating referred to in 5.4 above are those specified in Appendix 1 attached hereto.
- 7.6 That the criteria for the assessment of market value in terms of Section 8(1) shall be actual use.
- 7.7 To determine whether the valuations for multiple purpose usage will be assessed according to the dominant use of the property.
- 7.8 To rate public service infrastructure.

PART EIGHT: CATEGORIES OF RATEABLE PROPERTY AND DIFFERENTIAL RATING

- 6.1 The municipality may levy different Rates to different categories of properties for this municipality is those specified in Appendix 1.

6.2 The categories of property are determined according to the actual use of the property and the property shall be rated on such actual use

6.3 A change in the use of property may result in a change in category of property

6.4 Differential rating among the various property categories may be executed by different rate randages for each property category.

6.5 The municipality has determined the following categories of propey

- a) Agriculture properties used for agricultural purpose
- b) Agriculture properties used for other business and commercial purposes
- c) Smallholdings used for agricultural/residential purposes
- d) Smallholdings used for business/commercial/industrial purposes
- e) Business and commercial properties
- f) Business and commercial properties with residential usage
- g) Industrial properties
- h) Land reform properties
- i) Mining properties
- j) Municipal properties
- k) Public benefit organisations
- l) Public service infrastructure
- m) Residential properties
- n) Schools
- o) State owned properties
- p) Vacant land (other than residential)
- q) Vacant land zoned residential
- r) Public worship
- s) Worship residential

PART 9: CATEGORIES OF OWNERS

9.1 The municipality may in terms of the criteria set out in this policy

- a) Exempt a specific category of property of owners of properties, or owner of a specific category of properties, from payment of rates levied on their property;
or
- b) Grant to a specific category of owners of properties, or the owner of a specific category of properties, a rebate on or reduction in the rates payable in respect of their properties, as determined in clause 10

9.2 The municipality has determined the following categories of owners of properties

- a) Residential
- b) Vacant land
- c) Public benefit organization
- d) Indigent owners
- e) Pensioners
- f) Disabled owners
- g) Child headed households
- h) Owners of properties affected by disaster
- i) Municipal

PART TEN: RELIEF MEASURES FOR RATEPAYERS

10.1 The municipality has considered the need and desire to grant relief to specific categories of owners of properties and owners of specific categories of properties with a view to providing appropriate measures to alleviate the rates burden on them. The Municipality therefore grants Exemptions, Rebates and Reductions, on categories of owners, based on local conditions and circumstances. No category of owner shall qualify for multiple rebates.

10.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:

10.2.1 A specified category of property; or

10.2.2 A specified category of owner of property as provided for hereunder.

10.3 The municipality will not grant relief to the owners of property on an ad hoc or individual basis. For the purposes of rates policy the Municipality has determined the following **categories of owners (of property)** with criteria for relief measures included under Part 10 –

- a) Indigent Owners**
- b) Pensioner Owner**
- c) Disable Owner**
- d) Child Headed Households**

e) **Property owned by public benefit organisations**

f) **Owners of properties affected by a disaster**

The council may approve further categories of owners if required.

PART ELEVEN: RELIEF MEASURES FOR OWNER CATEGORIES AND PROPERTY USE CATEGORIES.

The municipality has identified the following use categories of properties and the requisite criteria for the purposes of granting exemptions, rebates or reductions to the owners of these categories of property in terms of section 15 of the Act:

The municipality has identified the following categories of owners of properties and the requisite criteria for the purposes of granting exemptions, rebates or reductions in terms of section 15 of the Act:

11.1 Indigent Owners		
11.1.1 Criteria	In order to qualify as an indigent owner, the owner must:	
	(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
	(b)	Live permanently on the property;
	(c)	Not own any other property within Emadlangeni municipality;
	(d)	Have an income threshold as defined in the Council's Customer Care policy;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
11.1.2 Relief Granted	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

11.2 Pensioner Owners		
11.2.1 – Criteria	In order to qualify as a pensioner owner, the owner must:	
	(a)	Be at least 60 years of age;
	(b)	For a residential category of property be the sole owner of the property or own the property jointly with his/her spouse;
	(c)	Not be granted more than one pensioner rebate at a time;
	(d)	Live permanently on the property;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.
11.2.2 – Relief Granted	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

11.3 Disabled Owners		
11.3.1 – Criteria	In order to qualify as a disabled person, the owner must:	
	(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
	(b)	Live permanently on the property;
	(c)	May not own any other property within the Emadlangeni municipality;
	(d)	Have an income threshold as defined in the Council's Customer Care Policy;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.
11.3.2 – Relief Granted	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

11.4 Child-Headed Households		
11.4.1 Criteria	A household may be recognized as a child-headed household if it is deemed to fit the definition as contained at the beginning of this policy, and the owner must -	
	(a) Live permanently on the property;	
	(b) May not own any other property within the Emadlangeni municipality;	
	(c) Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.	
11.4.2 Relief Granted	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

11.5 Properties Owned by Public Benefit Organizations' (PBO)		
11.5.1 Criteria	In order to qualify owners shall be registered as a Public Benefit Activities as listed in Part 1 of the 9 th Schedule to the Income Tax Act and must -	
	(a)	Make application in writing annually in the prescribed format;
	(b)	Provide proof of ownership of the property and registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the following specified public benefit activities listed in Part 1 of the 9 th Schedule: <ul style="list-style-type: none"> • welfare and humanitarian; or • health care; or • education.
	(c)	Owners of property meeting the criteria shall pay the PBO category of property tariff as published annually.
11.5.2 Relief Granted	The PBO tariff would comply with prescribed ratios	PBO tariff to be determined by Council at its discretion, dependent on budgetary affordability factors.

Note: It is noted that this position is motivated by the need for non-profit organizations who **are not** registered in terms of the 9th schedule, Income Tax Act, to register with SARS in order to be eligible for rates relief.

11.6 Owners of properties affected by a disaster or other serious adverse social or economic conditions

11.6.1 Criteria	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of his/her property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by -
	(a) A disaster within the meaning of the Disaster Management Act (57 of 2002); or
	(b) Any other serious adverse social or economic conditions as may be defined and determined by the Council.
	(c) To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.
11.6.2 Relief Granted	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the Municipal Valuer, effective from the date of the disaster.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p>

The above relief shall be subject to the following conditions –

- (i) All applications for relief must be in writing in the prescribed form and must reach the Municipality before **30 April** preceding the year of rates implementation;
- (ii) The Municipal Manager or his/her nominee must process and approve compliant applications;
- (iii) The Municipality retains the right to refuse a rebate, reduction or exemption if the details supplied on the application form are incomplete, incorrect or false;
- (iv) Where applicable for relief the use of any land or buildings, or any part thereof, shall not be for the private pecuniary benefit of any individual, whether as a shareholder in a company or otherwise;
- (v) Where applicable for relief, if during the currency of any financial year, any such land or building is used for any purpose other than the purpose for which it was so exempted, the Municipality shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use; and

- (vi) Once the Application is granted, the Applicant is required to submit annually, an affidavit confirming the use or ownership of the property as the case may be.

PART TWELVE: OTHER EXEMPTIONS, REBATES AND REDUCTIONS

12.1 The municipality has exempted in total from payment or rates the following categories or properties;

12.1.1 Properties registered in the name of an used primarily as a place of public worship by a religious community including an official residence also registered in the name of the community, which is occupied by an office bearer who officiates at services at that place of public worship.

12.1.2 Properties owned by owners registered a no profit organisations

12.2 It is recorded that the municipality is precluded in terms of section 17(1)(h) of the Act from levying rates on the first R15 000 on the market value of the property assigned in the valuation roll or supplementary valuation roll of the municipality to a category determined by the municipality:

12.2.1 For residential properties

12.2.2 Vacant residential properties

12.3 The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R 35 000 in respect of improved residential properties

12.4 REBATES FOR CATEGORIES OR PROPERTIES

The municipality has resolved to grant rebates to the categories of properties below:

Schedule of the Categories of Properties Granted Rebates:

Category of Property	Percentage Rebate of Rates
Residential	20%
Commercial	10%
Industrial	10%
Agriculture	50%
Smallholdings	50%

Business, Commercial and Industrial	10%
Public Service Infrastructure	30%
Vacant Land zoned Residential	10%

12.5 REBATES FOR CATEGORIES OF OWNERS OF PROPERTIES

The municipality has resolved to grant the following rebates, to the following categories of owners of properties in addition to the rebate granted to the category of properties in 11.1 above.

Category of Owner	Percentage Rebate
A pensioner	50%
Retiree	50%
Persons temporarily without income	100%
Disabled persons	50%
Indigent persons	100%
Child Headed Households	100%

PART THIRTEEN: MULTIPLE PURPOSE PROPERTIES

- 13.1 A municipality will conduct assessment/valuations according to any or all of the following:
- (a) permitted use;
 - (b) dominant use;
 - (c) pro-rata according to multiple uses.
- 13.2 The municipality determine the value of properties based on one of the following criteria namely:
- 13.2.1 the permitted us;
 - 13.2.2 the dominant use;
 - 13.2.3 pro rata based on the various multi-purpose usage.
- 13.3 It is recorded that this municipality has determined that for the purpose of assessing the value of multi purpose properties the following criteria will apply:
- 13.3.1 option 13.2.1 will apply only in respect of vacant land which has not been put to any use. In this instance the zoning or permitted use prevails. If indeterminate, then the valuer will establish the Highest and Best Use of the property;
 - 13.3.2 dominant usage as in 13.2.2 will be determined by the valuer as a basis for determining the use category. Dominant in this instance shall be the

measured extent under use (land and/or buildings).

- 13.4 Properties will be assessed on dominant use where at least 66% of that property is used for a particular purpose. The entire property will be assigned to that category of usage and the value will be addressed based on that usage only.
- 13.5 This municipality has resolved that:
 - 13.5.1 generally properties will be assigned to a category based on its dominant usage, provided that:
 - 13.5.2 in the case of State and Trust Land the different usage will be assessed pro rata and assigned to a category.

PART FOURTEEN: COMMUNITY PARTICIPATION

- 14.1 This municipality will comply with its community participation and consultation obligations in terms of Chapter 4 of the Municipal Systems Act and Section 4 and 5 of the Act before the Rates Policy or any review thereof is finally adopted. In terms of Chapter 4 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) the municipality is committed to:
 - 14.1.1 building capacity of the local community to enable it to participate in the affairs of the municipality; and
 - 14.1.2 to foster community participation for which the municipality will allocate funds in its budget for such processes.
- 14.2 The participation by the local community in municipal affairs will take place through the political structures; the mechanisms, processes and procedures for participation in municipal governance and any other appropriate mechanisms processes and procedures established by the municipality and generally to apply the provisions for participation as required by this act.
- 14.3 The municipality will provide for:
 - 14.3.1 The receipt, processing and consideration of petitions, objections and comments lodged by the members of the local community;
 - 14.3.2 Public meetings and hearings by the municipal council and other political structures (e.g. ward committees) and political office bearers of the municipality;

14.3.3 Consultative sessions with locally recognized community organisations and where appropriate, traditional authorities.

14.4 Communication with the public relating to the Rates Policy will be in terms of Section 4(2) of the Act by notice in:

14.4.1 local newspapers circulating in its area and determined by this council as a newspaper of record; and /or

14.4.2 official notice boards and other public places accessible to the public including the library and the municipal offices;

14.4.3 on the municipal webstie; and

14.4.4 inviting the local community to submit comments and representations within the time specified in the notice.

PART FIFTEEN: RECOVERY OF RATES

15.1 The following people shall be liable for the payment of rates levied by the municipality:

15.1.1 owner of a property;

15.1.2 joint owners of a property, who shall be liable jointly and severally;

15.1.3 the owner of a sectional title unit; and

15.1.4 in relation to agricultural properties:

15.1.4.1 any one joint owner of the agricultural property for all the rates levied on the agricultural property; or

15.1.4.2 each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the municipality may choose in relation to agricultural properties.

15.2 In terms of Section 26 of the Act the municipality will recover rates:

15.2.1 on a monthly basis or as may be prescribed in terms of the Municipal Finance Management Act, which rate must be paid in each period determined by the municipality.

15.3 The municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.

- 15.4 A municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of Section 28 of the Act.
- 15.5 A municipality may recover rates due, either whole or in part, from the agent of the owner if this is more convenient for the municipality and in terms of Section 29 of the Act.

PART SIXTEEN: CONSOLIDATION AND APPORTIONMENT OF PAYMENTS

Separate accounts of persons liable for payment to the municipality for either rates or service may be consolidated in one account and any appropriation of payments will be done in accordance with the municipality's credit control policy.

PART SEVENTEEN: DEFEREMENT OF RATES

- 17.1 The municipality will on application defer the payment of rates in terms of section 26(3) of the Act under the following special circumstances. To qualify for deferment of rates, the Applicant:-
- 17.1.1 must be a pensioner, indigent, disabled, over 60 years of age, or who is not above 60 year of age, but has or has been retired from employment by reason of any illness or disability certified by a medical practitioner, dentist, psychologist, intern or intern psychologist contemplated in the Medical, Dental and Supplementary Health Service Professions Act, 1974 (Act 56 of 1974), and whose income from all sources whatsoever must not exceed R30 000 per annum (including the income of the spouse, if applicable) and the Municipal valuation of the property must not exceed R75 000;
 - 17.2.2 must reside permanently on the property concerned;
 - 17.2.3 must be the registered owner of the property.
- 17.2 Application must be made annually in writing on the prescribed form:
- 17.2.1 not later than the final date for payment of such rates provided that the council may in special circumstances grant a deferment of the payment of rates after the final date for such payment notwithstanding that such application was made after such final date for payment.

- 17.3 Deferment will be considered provided that the total amount of all rates so deferred together with accumulated interest accumulated thereon shall not at any time exceed 50% of the value of the property concerned shown in the valuation roll.
- 17.4 The final date for payment of the rates on the property concerned shall not be affected by reason of any application for deferment in terms of subsection 17.2 above, provided that if the council allows such application, the portion of the rates in respect of which payment is deferred shall be refunded to the applicant.
- 17.5 The accumulated amount of the deferred rates shall bear interest at a rate determined from time to time by the council and the council may also approve the waiver of such interest.
- 17.6 Only the current year's rate can be considered for deferment and then only if the Applicant's rates are not in arrears.
- 17.7 Any deferment granted in terms of here shall terminate immediately:-
- 17.7.1 upon the death of the registered owner; provided that the council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
- 17.7.2 upon the expropriation, sale or other disposal of the property concerned;
- 17.7.3 upon the owner ceasing to reside permanently on the property concerned;
- 17.7.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment; and
- 17.7.5 on expiry of the period of deferment.

PART EIGHTEEN: IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT

- 18.1 It is recorded that the municipality may not, in terms of Section 17 of the Act levy a rate on –
- 18.1.1 the first 30% of the market value of public service infrastructure;

- 18.2.2 mineral rights within the meaning of paragraph 18.1.2 of the definition of “property” in Section 1;
- 18.2.3 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;
- 18.1.4 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 –
 - 18.1.8.1 for residential purposes; or
 - 18.1.8.2 for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or
- 18.1.5 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.

PART NINETEEN: CONSTITUTIONALLY IMPERMISSIBLE RATES

- 19.1 The Act provides that in terms of Section 229(2)(a) of the Constitution a municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice –
 - 19.1.1 national economic policies;
 - 19.1.2 economic activities across its boundaries; or
 - 19.1.3 the national mobility of goods, services, capital or labour.

PART TWENTY: NEWLY RATED PROPERTY

- 20.1 Any property which was not previously rated must be phased in subject to the conditions that:
- 20.1.1 property registered in the name of a land reform beneficiary must be phased in after the exclusion period in section 17(1)(g);
 - 20.1.2 property owned by Public Benefit Organisations must be phased in over a period of four financial years provided that the municipality may extend this period on written application to the MEC.
- 20.2 The phasing in period shall be as set out in the attached table.

**Applicable rates for properties to be phased in over four years:
(Public Benefit Organizations)**

Year	Percentage Rates Payable
First	Zero %
Second	25%
Third	50%
Fourth	75%

**Applicable rates for properties to be phased in over three years:
Newly Rateable Properties**

Year	Percentage Rates Payable
First	25%
Second	50%
Third	75%

