



PROPERTY RATES POLICY

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MOQHAKA LOCAL MUNICIPALITY

PROPERTY RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 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 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act and any regulations promulgated in terms thereof; and
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 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.
- 1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.

2. **DEFINITIONS**

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “**Agent**” , *in relation to the owner of the 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;*
- 2.3 “**Agricultural purpose**” *in relation to the use of a property includes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.*
- 2.4 “**Annually**” *means once a every year;*
- 2.5 “**Category**”
- (a) *in relation to property, means a category determined in terms of Section 7 of this policy; and*
 - (b) *in relation to owners of properties, means a category of owners determined in terms of Section 8 of this policy;*
- 2.6 “**Child-headed household**” *means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household headed by a child as defined in terms of Section 28(3) of the Constitution.*
- 2.7 “**Definitions, words and expressions**” as used in the Act are applicable to this policy document where ever it is used;
- 2.8 “**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);*
 - (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 (Act No 108 of 1996) be enacted after this Act has been effect;*
- 2.9 “**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 (Act No 11 of 2004);*
- 2.10 “**Municipality**” means the Moqhaka Local Municipality;
- 2.11 “**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;

2.12 **“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;*
- (c) *in relation to land tenure right referred to in paragraph (c) of “property” means a person in whose name the right is registered to whom it was granted in terms of legislation; or*
- (d) *in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”;*

Provided that a person mentioned below may for the purposes of this Act be regarded by the municipality as the owner of a property in the following cases: -

- (i) *a trustee, in 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 estate of a person under judicial management;*
- (v) *a curator, in the case of a property in the estate of a person under curatorship;*
- (vi) *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*
- (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;*

2.13 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

2.14 **“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.*

2.15 **“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 and 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 or aprons at national or provincial airports;*
- (h) *any other publicly controlled infrastructure as may prescribed; or*
- (i) *rights of way easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);*

2.16 **“Residential property”** means improved property that:

- (a) is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.

And specifically exclude vacant land irrespective of its zoning or intended use.

2.17 **“Rural communal settlements”** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and Land reform beneficiaries as defined in the Act.

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

- (a) *in trust for person communally inhabiting the land in terms of a traditional system of land tenure;*
- (b) *owner which land tenure rights were registered and granted; or*

- (c) *which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No 22 of 1994).*

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. 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.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 3.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
 - (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii. Supports local social economic development
 - (d) Cost efficiency
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal)

services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

3.5 Acknowledge local recognized interest groups in the municipality.

4. SCOPE OF THE POLICY

4.1 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

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

5.2 *The Moqhaka Agricultural Management is acknowledged by the Municipality as a "locally recognised community organisation" as is provided for in Section 17 (2) (d) of the Local Government: Municipal Systems Act 32 of 2000.*

6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:-

(a) Trading services

i. Water

ii. Electricity

(b) Economic services

i. Refuse removal

ii. Sewerage disposal

(c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1(a) and (b).

6.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges whilst community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

7. CATEGORIES OF PROPERTY

7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:- (note: categories only to be finalised after completion of valuation roll)

AGR	-	Agricultural
AG	-	Agricultural Holding used for Guest House
AB	-	Agricultural Holding used for Business Purposes
AH	-	Agricultural Holding
B	-	Business
BR	-	Business zoned property used for Single Residential
G	-	Guest House

Government

GAN	-	Government Agricultural National
GAP	-	Government Agricultural Provincial
GBN	-	Government Business National
GBP	-	Government Business Provincial
GCN	-	Correctional Services National
GDN	-	Government Defence National
GEN	-	Government Educational National
GEP	-	Government Educational Provincial
GHP	-	Government Hospital Provincial
GIN	-	Government Industrial National
GPN	-	Government Police National
GRN	-	Government Residential National
GRP	-	Government Residential Provincial
IND	-	Industrial
MIN	-	Mining
MPA	-	Multi-purpose Agricultural
MPB	-	Multi-purpose Business
MPC	-	Multi-purpose Crèche
MPG	-	Multi-purpose Guest-House
MPM	-	Multi-purpose Municipal
MPR	-	Multi-purpose Residential
MPS	-	Multi-purpose School

MUN	-	Municipal
NM	-	National Monument
PBO	-	Public Benefit Organisation
PSI	-	Public Service Infrastructure
PW	-	Public Worship
PR	-	Public Road
PRS	-	Private School
PT	-	Privately owned towns serviced by the owner
PTM	-	Privately owned towns municipal the owner

Residential improved

Res 1	-	Single Residential
Res 2	-	Medium Residential
Res 3	-	General Residential

Residential vacant

Res1V	-	Single Residential
Res2V	-	Medium Residential
Res3V	-	General Residential

RE	-	Remaining extent of proclaimed township
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7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the following criteria or a combination thereof:-

- The formal zoning of the property;
- Township establishment approvals;
- The use of the property;
- Permitted use of the property; and
- The geographical area in which the property is situated.

7.3 In order to create certainty and to ensure consistency the criteria mentioned in 7.2 shall be applied as indicated below in order of priority and no deviation is permissible:-

7.3.1 Properties shall first of all be categorised in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.

- 7.3.2 If, for whatever reason, the status or zoning of a property cannot be determined in terms of 7.3.1 the actual use shall then be determined in order to appropriately categorise such property. All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.
- 7.3.3 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 7.3.1 cannot be applied. However, the geographical area as a criterion should not be used in isolation.
- 7.4 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9.

8. **CATEGORIES OF OWNERS**

- 8.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 respectively the following categories of owners of properties are determined:-
- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
 - (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
 - (c) Owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. serious adverse social or economic conditions.
 - (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget; and
 - (e) Owners of agricultural properties as referred to in clause 13.1 (e).
 - (f) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.
 - (g) *Owners of properties situated in privately owned towns as referred to in clause 13.1(d).*

9. PROPERTIES USED FOR MULTIPLE PURPOSES

9.1 Rates on properties used for multiple purposes will be levied as follows:-

- (a) In accordance with the “permitted use of the property”.
- (b) In accordance with the “dominant use of the property” if (a) cannot be applied; or
- (c) In accordance with the “different uses” by apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

10. DIFFERENTIAL RATING

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

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of social and economic development of the municipality.

10.2 Differential rating among the various property categories will be done by way of setting a different cent amount in the rand for each property category; and

10.3 by way of reductions and rebates as provided for in this policy document.

11. EXEMPTIONS

11.1 The following categories of property are exempted from rates:-

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. This is an important part of the council’s indigent policy and is aimed primarily at alleviating poverty.

(c) Public Service Infrastructure

Public service Infrastructure Is exempted from paying rates as they provide essential services to the community. Churches and other Public Service Infrastructure will immediately forfeit the exemption, if found to be using the infrastructure or properties for purposes other than what they are intended for. Rates will be levied according to the current use of the property as approved by the municipal council.

(d) Right registered against a property

Any right registered against a property as defined in clause 2.14(b) of this policy is exempted from paying rates.

11.2 Exemptions in clause 11.1 (a) (b) (c) and (d) will automatically apply and no application is thus required.

11.3 Public Benefit Organisations

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

(a) Public Health care institutions

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

(b) Welfare institutions

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

(c) Public Educational institutions

Property belonging to educational institutions declared or registered by law.

(d) Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

(e) Sporting bodies

Property used by an organization for sporting purposes on a non Professional basis.

(f) Cultural institutions

Property used for purposes declared in terms of the Cultural Institutions Act. Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

- (g) Museums, libraries, art galleries and botanical gardens
Property registered in the name of private persons, open to the public and not operated for gain.
- (h) Animal welfare
Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals for a not-for-gain basis.
- (i) Cemeteries and crematoriums
Properties used for cemeteries and crematoriums.
- (j) Welfare institutions
Properties used exclusively as an orphanage, non profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by inmates, laundry or cafeteria facilities; provided that any profit from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
- (k) Charitable institutions
Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.

11.2 Exemptions will be subject to the following conditions:-

- (a) Exemptions in (a) to (c) will automatically apply and no application is thus required.
- (b) all applications referred to in 11.3 (d) must be addressed in writing to the municipality;
- (c) a SARS tax exemption certificate must be attached to all applications;
- (d) the municipal manager or his/her nominee must approve all applications;
- (e) 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
- (f) the municipality retains the right to decline exemptions if the details supplied in the application form were incomplete, incorrect or false.

11.3 Impermissible Rates: In terms of section 17(1) of the Property Rates Act the municipality may, inter alia, not levy a rate:-

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004,

which are not developed or used for commercial, business, or residential agricultural purposes.

- (b) On mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds.
- (d) 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.

11.4 The following categories of owners are exempted from rates:-

(a) Child headed families –

- i. Families headed by children are exempted from paying rates, according to monthly household income. To qualify for exemption the head of the family must:-
 - a. occupy the property as his/her normal residence;
 - b. not be older than 18 years of age;
 - c. still be a scholar or jobless; and
 - d. be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality;
- ii. The family head must apply on a prescribed application form for an exemption as determined by the municipality and must be assisted by the municipality with completion of the application form.

(b) Indigent consumers –

Owners who qualify and are registered as indigents in terms of the adopted indigent policy of the municipality;

(c) Applications must be accompanied by-

- i. a certified copy of the identity document or any other proof of the applicant’s age which is acceptable to the municipality;
- ii. sufficient proof of total household income;

iii. an affidavit from the applicant;

- (d) All applications will be dealt with in accordance with the municipality's credit control policy.
- (e) The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

12. REDUCTIONS

12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-

12.1.1 Partial or total destruction of a property.

12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

12.2 The following conditions shall be applicable in respect of 12.1:-

12.2.1 The owner referred to in 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

12.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

12.2.3 A maximum reduction, to be determined on an annual basis, will be allowed in respect of both 12.1.1 and 12.1.2.

12.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

12.2.5 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

13. REBATES

13.1. Categories of property

(a) Business, and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:-
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.
- ii. A maximum rebate as annually determined by the municipality will be granted on application subject to:-
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - d. a municipal resolution.
- iii. In determining the annual rebate the municipality shall take into consideration all relevant and applicable circumstances.

(b) State properties

As annually determined by the municipality.

(c) Residential properties

The municipality grants a rebate as annually determined which applies to improved residential property that is:-

- i. used predominantly for residential purposes;
- ii. registered in terms of the Sectional Title Act;

- iii. owned by a share-block company; or
- iv. a rateable residence on property used for or related to educational purposes.

(d) Agricultural property rebate

- i. Agricultural/farm properties will be granted a standard rebate to be annually determined by the municipality, provided that the Municipal account is paid in full at the time of application.

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

- (a) the extent of rates related services rendered by the municipality in respect of such properties.
 - (b) the contributor of agriculture to the local community.
 - (c) the extent to which agriculture assist in meeting the service delivery and developmental objectives of the community; and
 - (d) the contribution of agriculture to the social and economic welfare of farm workers.
- ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). For the 2011/2012 financial year the minister has promulgated a ratio of 1:0.25.
 - iii. An additional rebate of a maximum of 25% will be granted by the municipality in respect of the following services provided by the farmers to their employees:-
 - a. 5% for the provision of accommodation in a permanent structure to farm workers and their dependants;
 - b. 5% if such residential properties are provided with potable water;
 - c. 5% if the farmer electrifies such residential properties, inclusive of solar.

- d. 5% for the provision of land for burial, educational and recreational purposes to own farm workers as well as people from surrounding farms.
 - e. 5% if agricultural properties contribute to job creation;
- iv An additional rebate to a maximum of 50% will be granted by the municipality to the farmers in respect with non-provision of services:
- a. 7.5% rebate, if there are no municipal roads next to the property;
 - b. 7.5% rebate, if there is no municipal sewerage to the property;
 - c. 7.5% rebate, if there is no municipal electricity to the property;
 - d. 20% rebate, if water is not supplied by the municipality;
 - e. 7.5% rebate, if there is no refuse removal that is provided by the municipality

The rebates referred to in (a) to (d) above are subject thereto that the property owner submit documentary proof to that effect annually on or before 30 September each year. This rebate is only applicable on the property (farm) on which the facilities are situated.

(e) Independent schools

The municipality grants a rebate as annually determined for property used by registered independent schools for educational purposes only provided that an application in the prescribed format is received not later than September of each year.

(f) Charitable institutions

The municipality grants a rebate as annually determined for property belonging to not-for-gain institutions or organisations that perform charitable work provided that an application in the prescribed format is received not later than September of each year.

(g) Sporting bodies

The municipality grants a rebate as annually determined for property used by an organisation for sporting purposes on a non-professional basis provided that an application in the prescribed format is received not later than September each year.

(h) Cultural institutions

The municipality grants a rebate as annually determined for properties used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989 provided that an

application in the prescribed format is received not later than September each year.

(i) Museums, libraries, art galleries and botanical gardens

The municipality grants a rebate as annually determined for above-mentioned property registered in the name of private persons, open to the public and not operated for gain provided that an application in the prescribed format is received not later than September each year.

(j) Animal welfare

The municipality grants a rebate as annually determined for property owned and/or used by organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis provided that an application in the prescribed format is received not later than September each year.

13.2 Categories of owners

(a) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residential purposes;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Social Services;
 - c. be in receipt of a total monthly income from all sources (including income of a spouse) not exceeding an amount annually determined by the Municipality;
 - d. not be the owner of more than one property; and
 - e. 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.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- iii. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;

- b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iv. These applications must reach the municipality before the end of October after the start of the new municipal financial year for which relief is sought. *For the financial year the total monthly income and corresponding rebate is determined as follows: -*

These rebates for households will be allocated if an account holder can submit proof that the household has no income or a verified total gross monthly income equals to or less than the sum of 2 (two) state funded social pensions. The qualifying households will receive 100% on Property Rates on monthly basis.

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

13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

13.4 The extent of the rebate in terms of 13.1, 13.2 and 13.3 shall annually be determined by the municipality and it shall be included in the annual budget.

14. PAYMENT OF RATES

14.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or annually if the levy is less than or equals to R50.00 per month
- (b) for all accounts that are levied annually, payment should be made before or on 30 September each year.

14.2 the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;

- 14.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 14.4 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 the Credit Control, Debt Collection and Indigent policy of the Municipality.
- 14.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act as follows:-
- 14.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:-
- 14.5.1.1 From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;
- 14.5.1.2 From a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 14.5.2 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.
- 14.5.2 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by the owner of the property.
- 14.5.3 The notice referred to in 14.5.2 shall give the party concerned at least 14 calendar days to pay the outstanding rates.
- 14.6 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

14.7 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

14.8 Where a property is sold on auction, six (6) months consumption of water and electricity (if conventional) will be added to the clearances to cover the costs. Credit on the account from payment made, will be refunded after registration is complete.

15. ACCOUNTS TO BE FURNISHED

15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-

- (i) the amount due for rates payable;
- (ii) the date on or before which the amount is payable;
- (iii) how the amount was calculated;
- (iv) the market value of the property; and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

16. PHASING IN OF RATES

16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.

16.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:-

- First year : 75% of the relevant rate;
- Second year : 50% of the relevant rate; and
- Third year : 25% of the relevant rate.

16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-

- First year : 100% of the relevant rate;
- Second year : 75% of the relevant rate;
- Third year : 50% of the relevant rate; and
- Fourth year : 25% of the relevant rate.

17. SPECIAL RATING AREAS

17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever a special rating is being considered:-

17.2.1 Proposed boundaries of the special rating area;

17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;

17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;

17.2.4 Proposed financing of the improvements or projects;

17.2.5 Priority of projects if more than one;

17.2.6 Social economic factors of the relevant community;

17.2.7 Different categories of property;

17.2.8 The amount of the proposed special rating;

17.2.9 Details regarding the implementation of the special rating;

17.2.10 The additional income that will be generated by means of this special rating.

- 17.3 A committee consisting of 6 members of the community of who 3 shall be women will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7 of this policy.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 17.7 The municipality shall establish separate accounting and other record-keeping systems, compliant with the GRAP requirements, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.
- 17.8 Obtain the consent of the majority of the ratepayers who will be liable for paying the additional rate.

18. FREQUENCY OF VALUATION

- 18.1 The municipality shall prepare a new valuation roll every 5 years in accordance with the Act.
- 18.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained.
- 18.3 In accordance with the Act of the municipality, under exceptional circumstances, may request the MEC for Local Governance and Housing in the province to extend the validity of the valuation roll to 5 (five years).

19. COMMUNITY PARTICIPATION

- 19.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:
- 19.1.1 Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries (and on the website).
 - 19.1.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection (property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a prescribed fee per copy). Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
 - 19.1.3 Public meetings and workshops will be held in the vernacular to ensure maximum participation from the community.
 - 19.1.4 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.
 - 19.1.5 Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognized community and where appropriate traditional authorities.
 - 19.1.6 The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

20 REGISTER OF PROPERTIES

- 20.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:-
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
 - ii. Rebate or reduction in terms of section 15,
 - iii. Phasing-in of rates in terms of section 21, and
 - iv. Exclusions as referred to in section 17.

- 20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5 The municipality will update Part A of the register every 6 months during the supplementary valuation process.
- 20.6 Part B of the register will be updated on a continuous basis.
- 20.7 No clearance certificate will be issued before the buyer of the property/new owner has connected services by opening an account in his/her name first. This is to ensure that the municipality can continue levying services consumed on the property.
- 20.8 An average amount based on water or electricity consumption will be calculated and added to the clearance figures of those meters consuming more than the normal units per month. This will protect the municipality from having outstanding accounts after property transfers are concluded. Any amounts paid in excess may be refunded after the account has been finalised.
- 20.9 Water and electricity meters may be inspected for tampering before clearance certificate is issued for transfer of property.
- 20.10 The municipality will suspend its services to a Law Firm for conveyances, if payment for clearance figures or an undertaken is not honoured on the date the property changes ownership at Deed Office until the payment is made.
- 20.11 Law Firms from outside the Moqhaka municipality boundaries must pay for clearance figures before the clearance certificate is issued. No undertakings will be accepted from outside attorneys.
- 20.12 Law Firms from outside of Moqhaka municipality will have maximum of 14 days to settle the final figures issued to them or services will be suspended.

21. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

- 21.1 The municipality will adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

22. REGULAR REVIEW PROCESSES

- 22.1 The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with legislation.

23 ENFORCEMENT AND IMPLEMENTATION

23.1 This policy shall be implemented once approved by Council. This policy may be reviewed annually for amendments if any.
