

MAKHUDUTHAMAGA MUNICIPALITY

Property Rates By-Law

Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) requires a municipality to adopt by-laws to give effect to the implementation of its rates policy.

Having developed such a policy the Municipal Council of Makhuduthamaga Municipality adopts the following property rates by-law.

1. Definitions

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

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

“Municipality” means the Makhuduthamaga Municipality.

2. Rating of property

The power of the Municipality to levy rates on property in terms of section 2(3) of the Act, is subject to -

- (a) Section 229 and other applicable provisions of the Constitution of the Republic of South Africa, 1996;
- (b) The provisions of the Act;
- (c) This by-law.

3. General principles

- (1) Rates are levied as an amount in the Rand based on the market value of all rateable property contained in the Municipality's valuation roll.
- (2) Criteria are provided for the determination of categories of property and of owners and for the purpose of levying different rates on categories of property and owners.
- (3) Different rates may be levied for different categories of rateable property.
- (4) Relief measures in respect of payment for rates will not be granted to any category of property or of owners on an individual basis, other than by way of an exemption, rebate or reduction.
- (5) In order to act fairly and equitably all ratepayers with similar properties will be treated the same.
- (6) The ability of a person to pay rates will be taken into account.
- (7) Provision will be made for the promotion of local social and economic development and sustainable local government.
- (8) Rates will be based on the value of all rateable property and the amount required by the Municipality to balance its operating budget.

4. Categories of properties and owners

- (1) In terms of section 3(3) of the Act the Municipality will in its policy determine the criteria for the categorisation of property and owners for granting exemptions, reductions and rebates and criteria if it levies different rates for different categories of property.
- (2) In terms of sections 8(1) and 15(1) and read with section 19 of the Act the Municipality may exempt a category of owners of properties from rates, or grant a rebate in rates payable, or a reduction in the rates or value of a property.
- (3) The criteria for categories of property and owners and the different categories of property and owners are reflected in the

Municipality's rates policy and adjusted annually, if required, during the budget process.

5. Properties used for multiple purposes
 - (1) Rates on properties used for multiple purposes will be levied -
 - (a) by apportioning the market value of a property to the different categories for which the property is used; and
 - (b) applying the relevant cent amount in the rand to the corresponding apportioned market value.
 - (2) In the event of one use representing 90% (ninety percent) or more of the property's value the property will be rated as though it were used for that purpose only.

6. Differential rating
 - (1) Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to
 - (a) The actual use of the property.
 - (b) The permitted use of the property.
 - (2) Differential rating among the various property categories will be done by way of different cent amounts in the rand or reductions and rebates.

7. Criteria for exemptions, reductions and rebates

Criteria for determining categories of owners of property for the purpose of granting exemptions, rebates and reductions in terms of section 15(2) of the Act will be according to -

 - (a) the indigent status of the owner of a property, as determined in the Municipality's indigent policy and its basic social package,
 - (b) the sources of income of the owner of a property,
 - (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) any other serious adverse social or economic conditions as set out in the Municipality's rates policy;

- (d) owners of residential or business properties with a market value below a threshold determined in the Municipality's annual budget;

8. Exemptions

- (1) Over and above the exemptions provided for in sections 16 and 17 of the Act, specific categories of property as indicated below are exempted from the payment of rates within the meaning of section 15(1)(a) of the Act.
- (2) Municipal properties including transportation corridors or servitudes for public service infrastructure owned by the Municipality.
- (3) Cemeteries and crematoriums registered in the names of private persons and operated not for gain.
- (4) Public benefit organisations as provided for in the Municipal rates policy subject to an application and the production of 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).
- (5) any rateable property registered in the name of a welfare organisation registered in terms of the National Welfare Act, 1978 (Act 100 of 1978); or the Nonprofit Organisation Act of 1997.
- (6) A hospital, health clinic or institution for mentally ill persons that is operated not with the intention to make profit and is registered for tax exemptions in terms of the Income Tax Act because of those activities.
- (7) Any museum or library that is open to the public, whether admission is charged or not.
- (8) Any national monument, including any ancillary business activity conducted at a national monument.
- (9) Any sports grounds used for the purposes of amateur sport or any social activity connected with such sport.
- (10) Any rateable property registered in the name of a cultural institution, declared as such in terms of application legislation.

- (11) Any person who -
- (i) has reached the age of 65 years or more during the financial year; or
 - (ii) is physically or mentally disabled and can prove that he or she receives a social pension; or
 - (iii) is certified by a district medical officer as being physically or mentally handicapped,

subject to such conditions as the Municipality has determined in its rates policy.

- (12) Exemptions in terms of sub-items (3) to (11) will be subject to the following conditions:
- (a) all applications must be addressed in writing to the Municipality;
 - (b) where applicable a SARS tax exemption certificate must be attached;
 - (c) the Municipal Manager or his/her nominee must approve all applications in terms of powers delegated to the Municipal Manager;
 - (d) applications must reach the Municipality before a date as determined by the Municipality preceding the start of the new municipal financial year for which relief is sought; and
 - (e) the Municipality retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false.

9. Rebates

(1) Categories of properties.

- (a) The Municipality may grant rebates within the meaning of section 15(1)(b) of the Act on the rates to the owners of residential or business properties and subject to such conditions as determined by the Municipality in its rates policy.

(2) Categories of owners

- (a) The owners of rateable properties may be granted a rebate on rates within the municipality within the meaning of section 15(1)(b) of the Act in the event of the increase in rates exceeding the limits determined from time to time by the Municipality in its rates policy.

- (b) The amount or percentage of the rebate and the relevant financial years to which it will apply, will be determined in the Municipality's annual budget.
- (c) Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.
- (d) These applications must reach the Municipality before a date determined by the Municipality preceding the start of the new municipal financial year, for which relief is sought.
- (e) The Municipality retains the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

10. Reductions

As determined by the Municipality in its Rates Policy.

11. Rates increases

- (1) The Municipality will annually consider rates increases during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (2) Affordability of rates to ratepayers will be enhanced by the measures contemplated in item 9 of this by-law.
- (3) All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation.

12. Notification of rates

- (1) The Municipality will give notice of all rates approved at the annual budget meeting prior to the date that the rates become effective. Accounts delivered after the notice will be based on the new rates.
- (2) A notice stating the purport of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at its head and satellite offices, and libraries and on its website.

13. Payment of rates

- (1) Rates will be payable in twelve equal instalments on or before the 7th day of the month following on the month in which it becomes payable and in the case of rates based on a supplementary valuation from one of the dates contemplated in Section 78(4) of the Act.
- (2) Interest on arrears rates shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policies or by-laws, (as the case may be), of the Municipality.
- (3) If a property owner who is responsible for the payment of property rates in terms of this by-law, 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 policies or by-laws (as the case may be) of the Municipality.
- (4) Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- (5) 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, 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.
- (6) Where an error referred to in sub-item (5) occurred because of false information provided by the property owner, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

14. Short title

This by-law is the Rates By-law of the Makhuduthamaga Municipality.

15. Commencement

This by-law comes into force and effect on the first day of the month following the month in which this by-law was published in the Provincial Gazette.