NDWEDWE LOCAL MUNICIPALITY

APPROVED PROPERTY RATES POLICY

2024/2025

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1 PART ONE: PREAMBLE

Whereas:

1.1 Section 229 of the Constitution of the Republic of South Africa (Act 108 of 1996) provides that a municipality may impose rates on property;

1.2 The Local Government: Municipal Property Rates Act (Act 6 of 2004) regulates the power of a municipality to impose rates on property;

1.3 In terms of the Municipal Property Rates Act a municipality:

1.3.1 may levy a rate on property in its area; and

1.3.2 must exercise its power to levy a rate on property, subject to:

(a) section 229 and any other applicable provisions of the Constitution;

(b) the provisions of the Municipal Property Rates Act; and

(c) its rates policy;

1.4 The Ndwedwe Local Municipal Council has resolved to levy rates on the market value of all rateable properties within its area of jurisdiction.

1.5 The municipality must, with regard to section 3 of the Municipal Property Rates Act, adopt a rates policy consistent with the provisions of the said Act on the levying of rates in the municipality.

1.6 In terms of section 4 of the Local Government: Municipal Systems Act (Act 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property; and

1.7 In terms of section 62 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy.

2 PART TWO: DEFINITIONS

All words and phrases in this policy shall have the same meaning and interpretation as assigned in terms of the Local Government: Municipal Property Rates Act, Act 6 of 2004, and unless the context indicates otherwise:-

Act	Means the Local Government: Municipal Property Rates Act (Act 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	Property that is used primarily for agricultural purposes but, without derogating from section 9 of the Act, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the trading in or hunting of game.
Agricultural purpose	In relation to the use of a property, excludes the use of a property for the purpose of ecotourism 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 assistant municipal valuer in terms of section 35(1) of the Act.
Back-packer lodge	Means a commercial accommodation establishment where

	beds are available to guests in communal rooms.
Bed and Breakfast	Means a commercial accommodation establishment with less than or equal to 4 bedrooms available to guests.
Business and Commercial property	Means – (a) Property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; (b) Property on which the administration of the business of private or public entities takes place; (c) property used for the provision of commercial accommodation; (d) property used for education purposes; (e) Property used by the State or any organ of State; or (f) Property excluded from any other category of property.
Category	(a) In relation to property, means a category of property determined in terms of section 8 of the Act; and (b) In relation to owner of property, means a category of owner determined in terms of section 15 (2) of the Act and this Property Rates policy.
Child Headed Household (Category of Owner of Property)	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007.
Commercial accommodation	Means lodging or board and lodging, together with domestic goods and services, in any house, flat, apartment, room, hotel, motel, Inn, guesthouse, Bed & Breakfast, boarding house, residential establishment, holiday accommodation, student accommodation, unit, chalet, tent, caravan, camping site or similar establishment which is regularly or systematically

	supplied but excludes a dwelling supplied in terms of an agreement for letting and hiring thereof.
Communal property	Means a separately registered property, where the property is predominately used for Rural Residential purposes. A communal property may also be used for more than one purpose including agricultural property, public service purpose, state trust land, commercial, industrial, residential, and other non-residential property, etc and categorised as multiple purposes in terms of 8 (2) (i) which, in the case of a property used for multiple purposes, the use will be assigned to the applicable category of property, the associated value apportioned and rates determined accordingly, as contemplated in section 9 (2) of the Act. A Communal property's land extent can vary and be adjusted according to the apportioned category and associated land extents as determined from time to time by the municipal valuer.
Constitution	A body of fundamental principles or established precedents according to which our State is governed and as embodied and promulgated per Act 108 of 1996.
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 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.
Disabled **(Category of Owner of Property)**	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 practitioner and qualifies in terms of the income threshold as defined in the Council's Customer Care Policy or Indigent Policy.
Disaster (Deals with the treatment of the Category of Owner of Property)	Means a disaster within the meaning of the Disaster Management Act (Act 57 of 2002) or any other serious adverse social or economic condition as adopted by a Council resolution from time to time.
Disaster area (Deals with the treatment of the Category of Owner of Property)	Means owners of property situated within an area affected by: (a) a disaster within the meaning of the Disaster Management Act 57 of 2002; (b) any other serious adverse social or economic conditions;
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.
Dominant use	Means a property used for more than one purpose subject to section 9 (1) (b) of the Act and refers to the primary and predominant use of the property when viewed overall. This means that the category of property for rating will be based on the predominant use with a single value, a single category of property and a single "rate" applied for rating. (a) The dominant use approach will be applied to developed

	property located within the area of an approved town planning scheme granted in terms of any planning law; (b) The calculation of the dominant use is the highest percentage use of all actual uses determined by using the gross building area; (c) The dominant use category of property as calculated in (b) above will then be applied for the levying of rates. (d) The dominant use approach may not be used for – (i) Communal property used for multiple purposes, or (ii) For property used for multiple purposes where there is a large surplus land holding and the dominant use cannot be calculated on gross building area, or (iii) For property where there are rateable and non-rateable portions (partial exemptions), The alternative "apportionment" approach as contemplated under s9 (2) must then be used for properties used for multiple purposes.
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) of the Act; 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) of the Act.
Equitable treatment of ratepayers	Means the fair, just and impartial treatment of all ratepayers.
Exclusion	In relation to a municipality's rating power, means a restriction of that power as provided for in section 17 of the Act.

Exemption	In relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15 of the Act.
Financial year	Means the period starting from 1 July in a year to 30 June the next year.
Guest House	Means a commercial accommodation establishment with between 5 and 10 bedrooms available to guests.
Income Tax Act	Means the Income Tax Act, 1962 (Act No. 58 of 1962).
Indigent owner (Category of Owner of Property)	Means an owner of a property earning less than a gross income as determined by the municipality in its Indigent Policy.
Industrial Property	Means property used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw material or fabricated parts in respect of which capital and labour are involved, and includes:- (a) The production of raw products on the property; (b) The storage and warehousing of products; and (c) Any office or other accommodation on the same property the use of which is incidental to such activity.
Land reform beneficiary **(Category of owner of property)**	In relation to a property read with section 17 (1) (g) of the Act, 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 1944); (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 the Act has taken effect.
Land tenure right	A land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991)
Legal entity	In law an entity is something which is capable of bearing legal rights and obligations, has a distinct separate existence.
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. (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons.
Local municipality	Means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality.
Market value	In relation to a property, means the value of the property

	determined in accordance with section 46 of the Act.
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	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 the Municipal Council of Ndwedwe Local 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 owned property	Means property owned by the municipality.
Municipal leases	Means property owned by the municipality and leased to another party. The municipality reserves the right to recover municipal rates against all properties registered in the name of the municipality over which a portion or all of its property is leased either through an existing lease agreement where rates are exclusive or through the provisions of the Act. Rates payable will be based on the rates category and market value as contained in the Valuation Roll.
Municipal Structures Act	Means the Local Government: Municipal Structures Act, 1988 (Act No. 117 of 1998).

Municipal valuation	Means a valuation of a rateable property within the municipal area by the Municipal Valuer in terms of the Act.
Municipal Valuer	Means a person designated as a Municipal Valuer in terms of section 33(1) of the Act.
National Building Regulations (NBR)	Means the National Building Regulations and standards Act No. 103 of 1977, as amended.
Occupier	In relation to a property, means a person who occupies the 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 places of public worship – (a) a portion of the property used for residential purposes; or (b) one residential property, if the residential property is not located on the same property as the place of worship, Registered in in the name of a religious community or registered in the name of 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. (a) any department of state or administration in the national, provincial or local sphere of government; or (b) any other functionary or institution— (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution; or

(ii) exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;

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) of the Act, 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 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 the 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 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 property that is registered in the name of the 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.
Pensioner (Category of Owner of Property)	Means a person that : (a) must be 60 years of age; (b) who is the sole owner of the property, or owner jointly with his/her spouse; (c) does not own another property within the municipality; (d) *Insert additional criteria as required by the Municipality*
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

(c) Any alleviation of any such restrictions.

Places 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/legal entity; (b) a right registered against immovable property in the name of a person/legal entity, excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person/legal entity or granted to a person/legal entity 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 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, residential or agricultural purposes. 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 the 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 communication system serving the public;

*(*g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;

(h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).

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 a property on which a municipality may in terms of section 2 of the Act 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 of the Act, 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 of the Act 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 Act 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 dwelling, in any building, premises, structure, or any other place, or any part thereof, used ***predominantly*** as a place of residence or abode of any natural person **excluding** a dwelling where the premises are used ***predominantly*** for any purpose other than residential, or where it is used in the supply of commercial accommodation. A property included in a valuation roll in terms of section 48(2)(b) of the Act in respect of which the primary use or permitted use is for residential purposes 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.
Specialised properties	Means property including national monuments, schools (both state and private), crèches, cemeteries/crematorium, prisons, law courts, libraries, military bases, police stations, sports

	clubs including stadiums, public open spaces including parks, and vacant land associated with these uses. Other non-market property uses may be assigned to this category by the Municipal Valuer.
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).
Threshold Value	Means, with reference to impermissible rates and Section (17) (1) (h) of the Act, a municipality may not levy a rate on the first R15, 000 of the market value of a property with a category residential and a Municipal Council may increase this value to a higher market value in terms its annual budget and policy review, which is referred to as the threshold value.
Vacant Land	Means any unimproved vacant land, which is not agricultural property. Any vacant land outside the area of a scheme for which no development rights have been granted in terms of any planning law must be considered as agricultural property and valued accordingly. The value of vacant land must reflect: (a) the highest and best use permitted by the scheme, including any consent granted in terms thereof, if the land is situated in the area of a scheme; or (b) the highest and best use permitted in terms of a development approval, if the land does not form part of the

	area of a scheme, but development rights have been granted in respect of the land.
Unauthorised immovable improvement / development	Means any use of a property which is inconsistent with or in contravention with the permitted use of the property or any immovable improvement / development or building erected without approval of the municipality in terms of the National Building Regulations and building standards Act No. 103 of 1977 as amended and other related legislation.

3 PART THREE: THE PURPOSE OF THE POLICY

3. The purpose of this policy is to:

3.1 Comply with the provisions of the Act, specifically with section 3 thereof;

3.2 Give effect to the principles outlined hereunder;

3.3 Ensure the equitable treatment of persons liable for rates;

3.4 Determine the basis for valuation and to prescribe procedures for the implementation of the Act;

3.5 Determine criteria for different property use categories to apply differential rates;

3.6 Determine or provide criteria for the determination of categories of owners of properties;

3.7 Determine criteria to be applied for granting relief in the form of exemptions, rebates and reductions to categories of properties and categories of owners;

3.8 Determine measures to promote local economic and social development; and

3.9 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

4 PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS POLICY

The principles of the Act are to regulate the power of a 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 within its area 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 as prescribed in terms of section 229 of the Constitution;

4.2 All ratepayers will be treated equitably;

4.3 Property rates will be assessed on the market value of all rateable properties within the jurisdiction of the municipality;

4.4 Property rates will not be used to subsidize trading and economic services;

4.5 The property rates policy will take into account relief measures to address the social and economic needs of the community;

4.6 This policy will be 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.

5 PART FIVE: IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE

Policy –

5.1 This policy takes effect from 1 July 2023, 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 Council. Such amendments must be effected in conjunction with the municipality's annual budget in terms of sections 22 and 23 of the Municipal Finance Management Act.

5.3 The municipality must adopt a set of Property by-laws to give effect to the implementation of its rates policy and such by-laws must be read in conjunction with this policy.

5.4 The adopted Property Rates by-laws must also be reviewed annually, and if necessary be amended by the Council, in conjunction and in accordance with the rates policy.

Methods and frequency of payment of rates –

5.5 The Municipality shall recover rates on a monthly basis, together with any supplementary rates.

5.6 The Municipality may recover a rate annually, on application, from owners with one or more property rates accounts.

5.6.1 Such application to reach the Municipality on or before 30 April of each year.

5.6.2 Such annual amount to be paid by 30 September of each year.

5.7 The Municipality may recover a rate annually for National, Provincial Government property.

5.8 The payment of rates shall not be affected by reason of objections, an appeal or non-compliance with the rates policy.

5.9 The Municipality may publish a number of Supplementary Valuation Rolls during the year, in accordance with Section 78 of the MPRA. The rates, as adjusted by the Supplementary Valuation Roll, will be levied accordingly.

6 PART SIX: EQUITABLE TREATMENT OF RATEPAYERS

6.1 The municipality is committed to treating all ratepayers on an equitable basis. 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 must adopt measures to ensure equitable and fair treatment of ratepayers.

6.2 Any differentiation in the levying of rates must not constitute unfair discrimination.

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

7.1 To levy rates on all rateable property in its area of jurisdiction;

7.2 To determine the date of implementation as being 1 July 2019;

7.3 To determine the date of general valuation as being 1 July 2019;

7.4 To levy different cents in the rand for different categories of property;

7.5 That the categories of properties for the purpose of differential rating are those specified in this policy document;

7.6 In terms of section 23 of the Act, a municipality must draw up and maintain a register in respect of properties situated within that municipality, consisting of part A the

valuation roll and part B the relief measures permitted in terms of rates policy.

7.7 The municipality shall in conjunction with the appointed municipal valuer identify and recognise property based on information from the Deeds Registry Office, legal registers of property / property rights or any other information readily available to it.

7.8 That in determining whether a property forms part of a particular category, the **actual use** of the property will be the determining factor and any change in actual use of a property will result in a change of category;

7.9 That a property used for multiple purposes as contemplated in section 9 of the Act and as defined in this policy, ***must***, for rates purposes, be assigned to a category determined by the municipality for properties used for either -

7.9.1 a purpose corresponding with the dominant use of the property, in terms of section 9 (1) (b) **or**

7.9.2 multiple purposes in terms of sections 9 (1) (c), 8 (2) (i) and 9 (2) of the Act;

7.9.3 The municipality has resolved to apply the dominant use approach.

7.10 In terms of section 46 (2) of the Act under "valuation criteria" the municipal valuer is entitled to identify and value any unauthorised immovable improvement and any unauthorised use as if it were lawful.

7.11 In terms of rates policy any unauthorised immovable improvement and any unauthorised use over a property used for multiple uses may be valued by apportionment and rates levied against the underlying registered owner as recorded in the Deeds registry office.

7.12 To determine a market related value for public service infrastructure in accordance with generally recognised valuation practices, methods and standards;

7.13 In terms of section 7 (2) (a) (i) of the Act to exclude municipal owned property from being rated, except where leased to a third party;

7.14 That special rating areas, as envisaged in terms of Section 22 of the Act may be established on application, compliance and by resolution of the council;

7.15 The determination of the category of property to be assigned to a property is the responsibility of the designated municipal valuer.

8 PART EIGHT: CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES

8.1 Section 8 of the Act provides that a municipality may, subject to section 19 of the Act and in terms of criteria set out in its rates policy, levy different rates for different specified categories of rateable property, determined in sub-section (2) and (3), which must be determined according to the-

(a) use of property;
(b) permitted use of the property; or
(c) a combination of (a) and (b).

8.2 The designated Municipal Valuer of a municipality is responsible for determining the category of property in terms of its adopted rates policy.

8.3 For the purposes of section 8 of the Act read with section 9, the following categories of rateable property have been determined, being –

8.3.1 Residential properties;

8.3.2 Industrial properties;

8.3.3 Business and commercial properties;

8.3.4 Agricultural properties ;

8.3.5 Properties owned by an organ of state and used for Public Service Purposes (PSP);

8.3.6 Public service infrastructure;

8.3.7 Public Benefit Organisation Property

8.3.8 Properties used for multiple purpose, subject to section 9; or

8.3.9 Any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance , by notice in the *Gazette.*

8.3.10 Vacant land;

8.4 The council may approve further categories of property if required including vacant land: Provided that, with the exception of vacant land , the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of subsection(2).

8.5 Where a municipality can, on good cause, show that there is a need to sub-categorise the property categories listed in subsection (2), a municipality must apply to the Minister in writing for authorization to create one or more of such sub-categories.

8.5.1 Such application -

8.5.1.1 must be accompanied by a motivation for such sub-categorisation;

8.5.1.2 demonstrate that such sub-categorisation is not contravention of section 19 of the Act and

8.5.1.3 reach the Minister at least 15 months before the start of the municipal year in which the municipality envisages levying a rate on such sub-categorised property.

8.6 It is recorded that in terms of section 19 (1) of the Act, a municipality may not levy:

8.6.1 (a) different rates on residential properties, except as provided for in sections 11 (2) and 21 and 89 of the Act;

8.6.2 (b) a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11(1)(a) of the Act, provided that different rates may be set in respect of different categories of non-residential properties;

8.6.3 (c) rates which unreasonably discriminate between categories of non-residential properties; or

8.6.4 additional rates except in special rating areas as provided for in section 22 of the Act.

8.6.5 In terms of section 19 (2) of the Act and the rates policy, the ratio referred to in section 19.1.b are the prescribed ratios gazetted and any directives issued by the Minister of Finance and/or the National Department of Cooperative Governance.

8.7 Differential rating among the above determined categories of properties will be undertaken by way of setting different cent amounts in the rand for each property category within the municipal budgetary processes.

8.8 The criteria for weighting the categories determined above, for the purpose of determining rate randages for each category, must take account of the following :

8.8.1 The perceived affordability factor for the different categories of property;

8.8.2 The strategic importance of a category of property with reference to the aims and objectives of the Council and the Government of the Republic as a whole (such as social, economic and developmental issues).

8.8.3 Prescribed ratios

8.9 Where a property is abandoned, developed or used in contravention of the Municipality's bylaws and regulations, the Municipality shall change its category to the Unauthorised Development Use category, notwithstanding any other remedies available via any other Act, Bylaw or Regulation.

9 PART NINE: RELIEF MEASURES FOR RATEPAYERS

9.1 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.

9.2 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:

9.2.1 A specified category of property; or

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

9.3 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) **Land Reform Beneficiary**

d) **Child Headed Households**

e) **Owners of properties affected by a disaster or other serious adverse social or economic conditions**

f) **Properties owned and used for bone fide agriculture**

g) **Residential Properties with a Market Value Below a Prescribed Municipal Valuation Threshold**

10 PART TEN: 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:

10.1 Indigent Owners			
10.1.1 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 Ndwedwe Local municipality;	
	(d)	Have an income threshold as defined in the Indigent Policy and be listed in the Indigent Register;	
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID	
10.1.2 Relief Granted	Percentage Rebate or reduction on the market value of the property : 100%		A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

10.2 Pensioner Owners		
10.2.1 – 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.	
10.2.2 – Relief Granted	Percentage Rebate or reduction on the market value of the property: 50 %		A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

10.3 Land Reform Beneficiaries Exclusion will be granted **to** property belonging to a land reform beneficiary or his or her heirs, provided that such exclusion lapses ***ten (10) years*** from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.

10.4 Child-Headed Households		
10.4.1 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 Ndwedwe municipality;	
	(c) Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.	
10.4.2 Relief Granted	Percentage Rebate or reduction on the market value of the property: 100%	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

<table>
<tr><td colspan="3">10.5 Owners of properties affected by a disaster or other serious adverse social or economic conditions</td></tr>
<tr><td rowspan="4">10.5.1 Criteria</td><td colspan="2">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 -</td></tr>
<tr><td>(a)</td><td>A disaster within the meaning of the Disaster Management Act (57 of 2002); or</td></tr>
<tr><td>(b)</td><td>Any other serious adverse social or economic conditions as may be defined and determined by the Council.</td></tr>
<tr><td>(c)</td><td>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.</td></tr>
<tr><td>10.5.2 Relief Granted</td><td colspan="2">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.

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.</td></tr>
</table>

10.6 Properties owned and used for bone fide agriculture		
10.6.1 Criteria	(a) To qualify the property must be used for bone fide agriculture as determined by the municipal valuer; (b) When considering criteria to be applied in respect of any relief for properties used for agricultural purposes a municipality must consider - i. The extent of services provided by the municipality in respect of such properties; ii. The contribution of agriculture to the local economy; iii. The extent to which agriculture assists in meeting the service delivery and development obligations of the municipality; and iv. The contribution of agriculture to the social and economic welfare of farm workers;	
10.6.2 Relief granted	Percentage Rebate on the market value of the property: 50%	Relief applied at the Council's discretion, dependent on budgetary affordability factors

10.7 Residential Properties with a Market Value Below a Prescribed Municipal Valuation Threshold	
10.7.1 Criteria	It is recorded that in terms of section 17(1)(h) of the Act that the levying of rates on the first R15,000 of the market value of a residential property is impermissible. The owner of a property assigned to a category determined by this policy for residential purposes with a municipal valuation below R30 000.00 shall be exempted from the liability for the payment of rates. In other words a further discretionary reduction may be applied to the residential category of properties in addition to the first R15,000 of the market value which is a prescribed as an impermissible rate.
10.7.2 Relief Granted	The owner of a property meeting the above criteria is exempted from the payment of rates. **(R15000 + R60000)**

10.8. Specifically, the Municipality will not levy rates on the following properties:

- Properties specifically excluded in terms of Section 17 of the Property Rates Act;
- Properties of which the Municipality is the owner;
- Properties registered in the name of the Ingonyama Trust (ITB) where ITB has not granted any land tenure right in the form of any lease, permission to occupy (PTO), deed of grant, quitrent or any right to occupation.

11 PART ELEVEN: COMMUNITY PARTICIPATION

11.1 It is recorded that the municipality may only adopt its rates policy or any amendment thereof or any review of its policy after following a process of community participation in accordance with Chapter 4 of the Municipal Systems Act, as well as sections 4 and 5 of the Act. These provisions include:

11.1.1 Building capacity of the local community to enable it to participate in the affairs of the municipality; and

11.1.2 To foster community participation for which the municipality will allocate funds in its budget for such processes.

11.2 Participation by the local community in municipal affairs will take place through the political structures of the municipality; the mechanisms, processes and procedures for participation in municipal governance and any other appropriate mechanisms processes and procedures established by the municipality.

11.3 The municipality will provide for:

11.3.1 The receipt, processing and consideration of petitions, objections and comments lodged by the members of the local community;

11.3.2 Public meetings and hearings by the Council and other political structures (e.g. ward

committees) and political office bearers of the municipality;

11.3.3 Consultative sessions with locally recognized community organizations and where appropriate traditional authorities.

11.4 Communication with the public relating to the rates policy will be in terms of section 4(2) of the Act by notice in:

11.4.1 Local newspapers circulating in its area and determined by the council as a newspaper of record; and/or

11.4.2 Official notice boards and other public places accessible to the public including the library and the municipal offices; and

11.4.3 Inviting the local community to submit comments and representations within the time specified in the notice;

11.4.4 Publication of the relevant documentation of the municipal website.

12 PART TWELVE: RECOVERY OF RATES

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

12.1.1 Owner of a property;

12.1.2 Joint owners of a property, who shall be liable jointly and severally;

12.1.3 The owner of a sectional title unit; and

12.1.4 In relation to agricultural properties:

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

12.1.4.2 Each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, whichever option the municipality may choose in relation to agricultural properties.

12.2 In terms of section 26 of the Act the municipality will recover rates:

12.2.1 on an installment basis; or annually, as may be agreed between the parties.

12.3 The municipality will furnish each person liable for the payment of rates with a written

account in terms of section 27 of the Act.

12.4 The municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of section 28 of the Act.

12.5 The 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.

12.6 Rates must be paid on or before a date determined by the municipality. The municipality may impose interest on overdue amounts.

12.7 The procedures regarding the determination of rates or any portion that are outstanding and the processes to be followed to recover such amounts are contained within the municipality's Credit Control Policy and Debt Collection Policy.

13 PART THIRTEEN: CONSOLIDATION AND APPORTIONMENT OF PAYMENTS

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

14 PART FOURTEEN: DEFERMENT OF RATES

14. The municipality may on application defer the payment of rates in terms of section 26(3) of the Act but only in special circumstances which may be prescribed by the Council.

15 PART FIFTEEN: IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT

15.1 It is recorded that the municipality may not, in terms of section 17 of the Act levy a rate on:

15.1.1 the first 30% of the market value of public service infrastructure;

15.1.2 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 –

(i) for residential properties; or

(ii) for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or

15.1.3 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.

15.1.4 The Minister, acting with the concurrence of the Minister of Finance, may from time to time by notice in the *Gazette*, increase the monetary threshold referred to in subsection 15.1.2 to reflect inflation.

15.1.5 The Minister may, by notice in the *Gazette,* lower the percentage referred to in subsection 15.1.1 but only after consultation with –

(i) Relevant Cabinet members responsible for the various aspects of public service infrastructure;

(ii) Organized local government; and

(iii) Relevant public service infrastructure entities.

15.1.6 The exclusion from rates of a property referred to in subsection 15.1.3 lapses if the property –

(i) Is disposed of by the religious community owning it; or

(ii) Is no longer used primarily as a place of public worship by a religious community or, in the case of an official residence contemplated in that subsection, is no longer used as such an official residence.

15.1.6.1 If the exclusion from rates of a property used as such an official residence lapses, the religious community owning the property becomes liable to the municipality concerned for any rates that, had it not been for subsection 15.1.3 would have been payable on the property during the period of one year preceding the date on which the exclusion lapsed.

15.1.6.2 The amount for which the religious community becomes liable in terms of paragraph 15.1.6.1 must be regarded as rates in arrears, and the applicable interest on that amount is payable to the municipality.

16 PART SIXTEEN: CONSTITUTIONALLY IMPERMISSIBLE RATES

16.1 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 an unreasonably prejudice -

16.1.1 national economic policies;

16.1.2 economic activities across its boundaries; or

16.1.3 the national mobility of goods, services, capital or labour.

17 PART SEVENTEEN: NEWLY RATED PROPERTY

17.1 Any property which has not previously been rated must be phased in over a period of three financial years subject to the condition that:

17.1.1 property registered in the name of a land reform beneficiary must be phased in after the exclusion period referred to in section 17(1)(g) of the Act;

17.1.2 The phasing in period shall be as set out in the following table:

Applicable rates for newly rateable properties to be phased in over three years

Year	Percentage Phased in
First	75%
Second	50%
Third	25%

Policy Implementation

This policy takes effect on the date on which it is adopted by the Council.

Policy adoption date	31 May 2024
Policy implementation date	1 July 2024
Next Review date	May 2025
Signed by……	Date……