
GENERAL NOTICE

NOTICE 986 OF 2009

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

The Minister for Cooperative Governance and Traditional Affairs intends introducing the Local Government: Municipal Property Rates Amendment Bill in the National Assembly. The Bill is hereby published for public comment in terms of section 154(2) of the Constitution. Any person wishing to comment on the Bill is invited to submit written comments to:

The Director-General
Attention: Ms V. Mafoko
Department of Cooperative Governance and Traditional Affairs
Private Bag X804
Pretoria
0001

Comments may also be faxed to (012) 334-4811 or e-mailed to mpa@dplg.gov.za

No comments received after 12 August 2009 will be considered.

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

 Words underlined with a solid line indicates insertions in existing enactments.

BILL

To amend the Local Government: Municipal Property Rates Act, 2004, so as to provide for the extension of the period of validity of a valuation roll and supplementary valuation roll that was in force before the commencement of the Act; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:-

Amendment of section 61 of Act 6 of 2004

1. Section 61 of the Local Government: Municipal Property Rates Act, 2004 (hereinafter referred to as the principal Act), is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) The [Minister must, after consultation with the] MECs for local government must determine the conditions of appointment of members of an appeal board

Amendment of section 89 of Act 6 of 2004

2. Section 89 of the principal Act, is hereby amended by the substitution for subsection (3) of the following subsection:

“(3) This section lapses [four] six years from the date of commencement of this Act, and from that date any valuation roll or supplementary valuation roll that was in force before the commencement of this Act may not be used.”

Transitional arrangements

3. Notwithstanding the provisions of section 89 (3) a municipality that has not prepared a valuation roll in terms of this Act may-
 - (a) continue to use a valuation roll or supplementary valuation roll that was in force in its area before the commencement of this Act; and
 - (b) levy rates against property values shown on that roll or supplementary roll, with effect from 1 July 2009, until such municipality has prepared a valuation roll in terms of this Act.

Short title

4. This Act is called the Local Government: Municipal Property Rates Amendment Act, 2009, and sections 2 and 3 are deemed to have come into operation on 1 July 2009.

**MEMORANDUM ON THE OBJECTS OF THE LOCAL GOVERNMENT:
MUNICIPAL PROPERTY RATES AMENDMENT BILL, 2009**

1. Background

- 1.1 The main objects of the Bill are to amend the Local Government: Municipal Property Rates Act (the Act) so as to provide for Valuation Appeal Board (VAB) members' conditions of appointment to be determined by Members of Executive Councils (MECs) and no longer by the Minister, and to extend the validity of old order valuation rolls for a further two years.
- 1.2 Clause 1 amends section 61(1) of the Act so as to provide that the MEC responsible for local government in a province, instead of the Minister, determines the conditions of appointment of the members of a VAB. This amendment is effected so that the conditions of appointment can be based on provincial circumstances, such as the demand and supply of valuers in a province.
- 1.3 Clause 2 amends section 89(3) of the Act by extending the transitional period within which municipalities may make use of valuation rolls and/or supplementary valuation rolls that were in force before the commencement of the Act from four years to six years from the date of commencement of the Act. This amendment is effected retrospectively to 1 July 2009 due to the fact that the validity of the valuation rolls that were in force before the commencement of the Act lapsed on 30 June 2009. This amendment is effected so that municipalities are given a longer period within which to ready themselves to implement the Act.
- 1.4 Clause 3 provides for a transitional arrangement in order to address the vacuum created by the lapsing of existing valuation rolls on 30 June 2009 to the date of commencement of the Bill.

2. Bodies/Organisations Consulted

South African Local Government Association (Salga)
The nine Provincial Departments responsible for local government

3. Financial Implications for the State

None.

4. Financial Implications for Provinces

None.

5. Financial Implications for Municipalities

If approved, the Bill will allow for rates in terms of old order valuation rolls to form part of the 2009/10 and 2010/11 municipal budgets.

6. Parliamentary Procedure

- 6.1 The State Law Advisers and the Department of Cooperative Governance and Traditional Affairs are of the opinion that the Bill must be dealt with in accordance with the procedure prescribed by section 75 of the Constitution. The Bill does not fall within the functional areas listed in Schedule 4 of the Constitution, nor does it provide for legislation envisaged in the sections referred to in section 76(3) of the Constitution.
- 6.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or customs of traditional leaders.
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