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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**DEPARTMENT OF FINANCE****NO. R. 3790****18 August 2023****MAKANA MUNICIPALITY PROPERTY RATES BY-LAW**

Makana Local Municipality, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004, has by way of (No of the resolution) adopted the Municipality's Property Rates By-law set out hereunder.

**MAKANA LOCAL MUNICIPALITY****MUNICIPAL PROPERTY RATES BY-LAW****PREAMBLE**

WHEREAS section 229(1) of the Constitution requires a municipality to impose rates on property and surcharges on fees for the services provided by or on behalf of the municipality.

AND WHEREAS section 13 of the Municipal Systems Act read with section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province;

AND WHEREAS section 6 of the Local Government: Municipal Property Rates Act, 2004 requires a municipality to adopt by-laws to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates;

NOW THEREFORE IT IS ENACTED by the Council of the Makana Local Municipality, as follows:

## 1. DEFINITIONS

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

‘Municipality’ means Makana Local Municipality;

‘Municipal Property Rates Act’ means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004);

‘Rates Policy’ means the Makana Local Municipality’s property rates policy adopted by the Council in terms of section 3(1) of the Local Government: Municipal Property Rates Act, 2004.

## 2. OBJECTS

The object of this By-law is to give effect to the implementation of the municipality’s Rates Policy as contemplated in section 6 of the Municipal Property Rates Act.

## 3. THE RATES POLICY

The municipality prepared and adopted a Rates Policy as contemplated in terms of the provisions of section 3(1) of the Municipal Property Rates Act. The Rates Policy outlines the municipality’s rating practices; therefore, it is not necessary for this By-law to restate and repeat same.

The Rates Policy is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve from time to time, shall be deemed to be likewise incorporated.

The Municipality does not levy rates other than in terms of its Rates Policy and the annually promulgated resolution levying rates which reflects the cent amount in the Rand rate for each category of rateable property.

The Rates Policy is available at Municipality offices, satellite offices and libraries and electronically on municipal website: [www.makana.gov.za](http://www.makana.gov.za) where members of the public can easily access the Rates Policy.

#### 4. CATEGORIES OF RATEABLE PROPERTIES

The Rates Policy provides for categories of rateable properties determined in terms of section 8 of the Act.

#### 5. CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

The Rates Policy provides for categories of properties and categories of owners of properties for the purposes of granting relief measures (exemptions, reductions and rebates) in terms of section 15 of the Act.

#### 6. ENFORCEMENT OF THE RATES POLICY

The Municipality's Rates Policy is enforced through the municipality's Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

#### 7. SHORT TITLE AND COMMENCEMENT

This By-law is called the Makana Local Municipality Property Rates By-law and takes effect on the date on which it is published in the Provincial Gazette.



**RESOLUTION ON LEVYING PROPERTY RATES IN TERMS OF SECTION 14 OF LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES; ACT 2004 (ACT NO. 6 OF 2004)**

**EC104 MAKANA MUNICIPALITY APPROVED PROPERTY RATES FOR 2023/24**

Notice is hereby given that, in terms of the Local Government Municipality Property Rates Act (Act No. 6 of 2004) the under-mentioned cents in rands will be levied for the financial year 2023/2024 (i.e 1 July 2023 to 30 June 2024) on the categories of rateable properties in the Makana Municipality area of jurisdiction as follows:-

PROPERTY TYPE	APPROVED CENT IN RAND (RAND/TARIFF) 2022/23	APPROVED CENT IN RAND (RAND/TARIFF) 2023/24
1. Business & Commercial Properties	0.021821	0.023130
2. Public Service Purposes	0.028056	0.029739
3. Residential Properties	0.007349	0.007790
4. Agriculture Properties	0.001839	0.001949
5. Public Service Infrastructure (PSI)	0.001839	0.001949
6. Industrial Properties	0.010911	0.011566
7. Properties Used for Multipurposes	0.000000	0.000000
8. Vacant Land	0.007349	0.007790
9. Public Benefit Organisations (P.B.O.)	0.001839	0.001949

**PHUMELELO KATE  
MUNICIPAL MANAGER**

*Makana Municipality shall strive to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all.*

**...a great place to be**

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## MAKANA MUNICIPALITY

### PROPERTY RATES POLICY

<b>POLICY NUMBER:</b>	(F) 1
<b>POLICY NAME</b>	Property Rates Policy
<b>POLICY STATUS</b>	Amended
<b>VERSION</b>	No. 2
<b>DATE OF APPROVAL</b>	31 May 2023
<b>DATE OF FIRST IMPLEMENTATION</b>	1 July 2013
<b>DATE OF LAST AMENDMENT</b>	12 May 2016
<b>DATE OF NEXT REVIEW</b>	30 June 2024
<b>PURPOSE</b>	See Policy
<b>AIMS AND OBJECTIVES</b>	This document describes the Property Rates Policy that will be applicable to the Makana Municipality, with effect from 01 July 2023.
<b>POLICY CUSTODIAN</b>	Directorate: Budget and Treasury
<b>RELATED POLICIES AND LEGISLATION</b>	<ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa 1996, Act 108 of 1996,</li> <li>• Amended Municipal Property Rates Act No.6 of 2014;</li> <li>• Municipal Systems Act No.32 of 2000</li> <li>• Municipal Finance Management Act No. 56 of 2003</li> </ul>
<b>APPROVING AUTHORITY</b>	Council
<b>APPLICABILITY</b>	This policy applies to the rates payers of the municipality.
<b>STAKEHOLDERS CONSULTED</b>	Yes

## **Makana Municipality Rates Policy**

### **RATES POLICY**

The policy was adopted by Council on 31 May 2023 and will be effective from 1 July 2023.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Municipal Manager (Accounting Officer)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Executive Mayor

## Makana Municipality Rates Policy

### MAKANA MUNICIPALITY PROPERTY RATES POLICY

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## **Makana Municipality Rates Policy**

### **1. PREAMBLE**

In terms of Section 229 (1) on the Constitution of the Republic of South Africa the Municipality has power to levy a rate on property in its area of jurisdiction.

In terms of Section 3 (1) of the Local Government: Municipal Property Rates Act, No. 6 of 2004 and Section 62(1)(f) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, a Municipality should adopt and implement a policy on the levying of rates on a rateable property.

The Council of Makana Municipality has adopted the rates policy on the levying of property rates and taxes which complies with latest regulations issued under the Amended MPRA.

### **2. PURPOSE**

The objective of this Policy is to regulate the power of the Makana Local Municipality to impose rates on property in a sustainable, fair and equitable manner.

### **3. LEGISLATIVE CONTEXT**

- 3.1.1 In terms of Section 229 of the Constitution, a municipality may impose property rates on property.
- 3.1.2 In terms of Section 4(1)(c) of the Municipal Systems Act, Act 32 of 2000, a municipality has the right to finance the affairs of the municipality by imposing, inter alia, property rates on property.
- 3.1.3 In terms of Section 2(1) of the Municipal Property Rates Act, a local municipality may levy a rate on property in its area in accordance with the other provisions of this Act.
- 3.1.4 This Policy must be read together with, and is subject to the provisions of the Municipal Property Rates Act and the Property Rates By-Law.
- 3.1.5 In terms of Section 8(1) of the Municipal Property Rates Act, the Municipality is levying property rates on the use of the property as determined on the valuation roll in terms of Section 48 of this Act.
- 3.1.6 In terms of Section 26 of the Municipal Property Rates Act - Method and time of payment – (1) A municipality may recover a rate –p
  - a) On a monthly basis or less often as may be prescribed in terms of the



## Makana Municipality Rates Policy

Municipal Finance Management Act; or

- b) Annually, as may be agreed to with the owner of the property.

- 3.2 (a) if a rate is payable in a single amount annually it must be paid on or before a date determined by the municipality.
- (b) If a rate is payable in instalments, it must be paid on or before a date in each period determined by the municipality.

3.3 Payment of a rate may be deferred but only in special circumstances.

3.4 In terms of Section 12 of the Municipal Property Rate Act- Period for which property rates may be levied (1) when levying property rates, a municipality must levy the property rate for a financial year. A property rate lapses at the end of the financial year for which it was levied.

## 4. DEFINITIONS

In addition to the definitions contained in the Municipal Property Rates Act and the Property Rates By-Law, the following words and phrases bear the meanings assigned to them below:

“**Act**” means the Local Government: Municipal Property Rates Act No. 6 of 2004 and includes the regulations related to.

“**Accommodation Establishment**” in relation to a property means the supply of overnight facilities to guests and tourists, and further means lodging, or board and lodging, in any house, flat, apartment, room, hotel, motel, inn, bed & breakfast, backpacker lodge, boarding house, residential holiday resort establishment, holiday accommodation, student accommodation, chalet, tent, caravan, camping site or similar establishment which is regularly or systematically supplied but excludes a Primary property;

“**agent**” in relation to the owner of a property, means a person appointed by the owner of such property to receive rental or other payments or make payments in respect of that property on his behalf;

“**Actual use**” in relation to the levying of rates for different categories of rateable property, means actual use contemplated in Section 8(1)(a) of the Act and relates to the activity that takes place on the property.

“**Agricultural Property**” Means a property used for bona fide agricultural purposes in which the property owner is deriving his principle source of income from the produce of the land on such property. Agricultural/farming property not used for bona fida agricultural/farming purposes shall be rated according to the actual use thereof.

## Makana Municipality Rates Policy

**“Agricultural use”** means a farm or a smallholding used for the production of goods or products through farming or forestry activities.

**"Amendment Act"** means the Local Government: Municipal Property Rates ~~Amendment~~ Act No. 29 of 2014.

**"Appeal board"** Means a valuation appeal board established in terms of Section 56 of the Act.

**“arrears rates”** means any amount due for assessed rates which remains unpaid after the due date for payment;

**“category”-**

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

**“category of properties”** means a category of properties determined according to zoning, use of the property, permitted use of the property or the geographical area in which the property is situated;

**“CFO”** means the Chief Financial Officer of the Municipality, being a person designated in terms of Section 80(2)(a) of the MFMA, or his/her nominee.

**“Constitution”** means the Constitution of the Republic of South Africa Act No.108 of 1996;

**“Council”** means the council of the municipality as envisaged in section 157(1) of the Constitution and section 18 (3) of the Local Government: Municipal Structures Act No. 117 of 1998;

**“Dominant use”** means 60% or more of the use of a property (as determined by the valuer).

**“Eco-tourism means Under Commercial Properties”** -"Tourism involving travel to areas of natural or ecological interest, typically under the guidance of a naturalist, for the purpose of observing wildlife and learning about the environment and at the same time focus on wildlife and promotion of understanding and conservation of the environment."

## Makana Municipality Rates Policy

**“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;

**“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 from the payment of rates granted by the Council 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;

**“Gross monthly household income”** means the gross monthly income from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, donations and any other form of financial support or investment income, received by every person residing on the property.

**“Homeless people’s shelters”** means a *bona fide* non-profit organisation (NPO) which operates a shelter used primarily for the accommodation of homeless people and which has applied in writing for and been registered as such shelter by Council.

**“Income Tax Act”** means the Income Tax Act No. 58 of 1962 as amended;

**“indigent owner”** means an owner of property who is in permanent occupation of such property and is registered as an indigent in terms of the municipality’s indigent policy;

**“Interest”** means a charge levied on arrear property rates, sewerage and availability fees calculated at a rate of 1% higher than the prime interest rate.

**“local community”** in relation to the municipality-

- (a) means that body of persons comprising:
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and

## Makana Municipality Rates Policy

- (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

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

“**MEC for local government**” means the member of the Executive Council responsible for local government in the Eastern Cape Province;

“**MFMA**” means the Local Government: Municipal Finance Management Act, 56 of 2003.

“**MPRA**” means the Municipal Property Rates Act No. 6 of 2004;

“**MPRA Rate Ratio Regulations**” means the Municipal Property Rates Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the MPRA published under Government Notice R195, Government Gazette 32991, on 1 March 2010.

“**Multiple Purpose Properties**” means property that is utilised for more than one determined category and where differential property rates will be made by setting different rates in the rand for each category.

“**Municipal council**” or “**council**” means the municipal council of Makana Municipality;

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

“**Municipality**” means the Makana Municipality. “**owner**”-

- (a) the person in whose name the property is legally vested;
- (b) in the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, servitude holder or any other legal representative.

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- (c) in the case where the council is unable to establish the identity of such person, the person who is entitled to derive benefit from the property or any buildings thereon;
- (d) in the case of a lease agreement in excess of 30 years was entered into, then the lessee;
- (e) regarding:
  - (i) a portion of land allotted on a Sectional title plan and which is registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986), without limiting it to the developer or managing body to the communal property;
  - (ii) a portion as defined in the Sectional Title Act, the person in whose name that portion is registered in terms of a “sectional title, including the legally appointed representative of such person;
- (f) any legal entity including but not limited to :
  - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Close Corporation Act, 1984 (Act 69 of 1984), and any voluntary organization;
  - (ii) any provincial or national government department, local authority;
  - (iii) any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and
  - (iv) any embassy or other foreign entity.
- (g) In respect of a property owned by council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and
- (h) In respect of a property owned by or under the control or management of council while held under a lease or any express or tacit extension thereof or under any other contract or under servitude or right analogous thereto, the person so holding the immovable property.

**"Municipal Structures Act"** The Local Government: Municipal Structures Act, 1988 (Act No. 117 of 1998).

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**"Municipal Systems Act"** The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

**"Municipal valuer" or "valuer of a municipality"** means a person designated as a municipal valuer in terms of section 33 (1) of the Act;

**"Non-Residential Property"** means all properties other than those defined as residential.

**"organ of state"** means an organ of state as defined in section 239 of the Constitution;

**"Private Open Space (POS)" means** vacant land belonging to private owners.

**"Public benefit organisation (PBO)"** means properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act;

**"Public Open Space Municipality (POSM)** means vacant land owned by the Municipality

**"Public Open Space Private (POSP)"** means small pieces of vacant land in private complexes used for playgrounds, parking, gardening, etc.

**"Public Service Infrastructure"** means publicly controlled infrastructure of the following kinds:

- (i) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (ii) 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;
- (iii) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (iv) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (v) railway lines forming part of a national railway system;
- (vi) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (vii) 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;

## Makana Municipality Rates Policy

**"Public Service Purposes"**, in relation to the use of a property, means property owned and used by an organ of state as-

- (i) hospitals or clinics;
  - (ii) schools, pre-schools, early childhood development centres or further education and training colleges;
  - (iii) national and provincial libraries and archives;
  - (iv) police stations;
  - (v) correctional facilities; or
  - (vi) courts of law,
- but excludes property contemplated in the definition of 'public service infrastructure';

**"Public Service Infrastructure Private (PSIP)"** properties, mostly found in private owned complexes used for streets, right of way, pavements, etc.

**"Ratepayer"** means a person or entity that is liable, in terms of the MPRA, for the payment of property rates on property levied by the Municipality;

**"Property Rates By-law"** means the Municipality: Property Rates By-law promulgated in the Provincial Gazette No. 6917 of 14 October 2011.

**"Residential Property"** means a property as defined in the MPRA and which includes the following:

- (i) used predominantly (60% or more) for residential purposes.
- (ii) a unit registered in terms of the Sectional Titles Act, 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
- (iii) owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one Residential property as set out in 5.1 below; or
- (iv) a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or an old age home used predominantly (60% or more) for residential purposes; or
- (v) a block of flats used predominantly (60% or more) for residential purposes but will be considered as one Residential property as set out in 5.1 below.

## Makana Municipality Rates Policy

**“Valuation Roll”** means a valuation roll made in terms of Section 30 of the MPRA or a supplementary valuation roll made in terms of Section 78 of the MPRA.

**“Vacant Land”** means, subject to the provisions of section 9 of the Act, a rateable property where no immovable improvements (any buildings or structures that could be used for residential or other purposes) have been erected.

### 5. GUIDING PRINCIPLES

5.1 The Municipality’s Property Rates Policy is based on the following guiding principles:

- equity;
- affordability;
- poverty alleviation;
- social and economic development;
- financial sustainability; and
- cost efficiency.

5.2 Property Rates are levied in accordance with the MPRA as a cent-in-the-rand based on the property value contained in the Municipality’s General Valuation Roll of and Supplementary Valuation Rolls.

5.3 As allowed for in the MPRA, the Municipality has chosen to differentiate between various categories of property and owners of property. Some categories of property and categories of owners are granted relief from property rates. However, the Municipality does not grant relief in respect of payments for property rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this Policy.

### 6. CATEGORIES OF RATEABLE PROPERTIES

Below is the list of mandatory property categories as per the amended Section 8(2) that will be implemented on 1 July 2023:

- a) Residential properties;
- b) Business and Commercial Properties;
- c) Industrial Properties;
- d) Agricultural Properties;
- e) Properties Owned by an Organ of State and Used for Public Service Purposes;
- f) Public Service Infrastructure;
- g) Public Benefit Organisations;
- h) Multiple Use Properties;
- i) Vacant land



## Makana Municipality Rates Policy

### 7. RATES CHARGED

The rate charged as a cent-in-the-rand for Industry/Commercial Properties as per the definitions (above) is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the Industry/Commercial rate as set out below.

### PROPERTY RATES TARIFF STRUCTURE

<b>EC104 MAKANA MUNICIPALITY APPROVED PROPERTY RATES FOR 2023/24</b>		
<p>Notice is hereby given that, in terms of the Local Government Municipality Property Rates Act (Act No. 6 of 2004) the under-mentioned cents in rands will be levied for the financial year 2023/2024 (i.e 1 July 2023 to 30 June 2024) on the categories of rateable properties in the Makana Municipality area of jurisdiction as follows:-</p>		
<b>PROPERTY TYPE</b>	<b>APPROVED CENT IN RAND (RAND/TARIFF) 2022/23</b>	<b>APPROVED CENT IN RAND (RAND/TARIFF) 2023/24</b>
1. Business & Commercial Properties	0.021821	0.023130
2. Public Service Purposes	0.028056	0.029739
3. Residential Properties	0.007349	0.007790
4. Agriculture Properties	0.001839	0.001949
5. Public Service Infrastructure (PSI)	0.001839	0.001949
6. Industrial Properties	0.010911	0.011566
7. Properties Used for Multipurposes	0.000000	0.000000
8. Vacant Land	0.007349	0.007790
9. Public Benefit Organisations (P.B.O.)	0.001839	0.001949
<p>Please note that the municipality does not levy property rates on places of worship (churches) as in line with the Property Rates Act and the Council's Property Rates Policy. Also note that rebates as per Council Resolution, as well as rebates as per the Municipal Property Rates Act No. 6 of 2004 for all the qualifying rateable properties are available on application, which must be completed on or before 30 September each year.</p>		

## **Makana Municipality Rates Policy**

### **8. CATEGORIES AND CONDITIONS OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES**

#### **8.1 Residential Property**

- 8.1.1. (a) The first R15 000 of the market value as per the Valuation Roll on Residential Properties as set out in Section 17(1)(h) of the MPRA is exempted from paying property rates.

#### **8.2 Public Service Infrastructure (PSI)**

- 8.2.1 For Public Service Infrastructure (as defined in the MPRA) the first 30% of its market value in terms of Section 17(1)(a) of the MPRA is exempted from paying property rates.
- 8.2.2 The Municipality grants a 75% property rates rebate for the categories of PSI's (public service infrastructure), as defined in paragraph 4.4 above. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

#### **8.3 Agricultural Use**

- 8.3.1 A farm is an area of land, including various structures thereon, devoted primarily to the practice of producing and managing food (produce, grains or livestock) or forestry products. The farming activity must be intense, must not be a mere hobby and must contribute to the local economy.
- 8.3.2 In terms of the MPRA, the definition of agricultural purpose excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.
- 8.3.3 If agricultural properties are not used solely for agricultural purposes and where the municipal valuator considers it reasonable to apply the category of multiple-use properties, the apportionment of value for each distinct use of the property will be calculated by the municipal valuator and used for billing at the applicable rate of the specific property rates category.

## **Makana Municipality Rates Policy**

### **8.4 Multiple-Use Properties**

Properties used for multiple purposes which do not fall within the definition of Residential Properties and, accordingly, do not qualify for the residential rate, may be included into the category of multiple-use properties, for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category.

### **8.5 Municipal Properties**

In terms of Section 7 of the MPRA the Municipality will not levy property rates on-

- (i) Properties of which the municipality is the owner;
- (ii) Public Service Infrastructure owned by a municipal entity;
- (iii) Leased Municipal Properties with a nominal value and/or portions of the commonage property where it is not practical to levy property rates.

### **8.6 Pensioners Rebates**

8.6.1 Registered owners of Residential Properties who are pensioners qualify for special rebates according to gross monthly household income of all persons permanently residing on that property. To qualify for the rebate a property owner must be a natural person and the registered owner of a property which satisfies the requirements of the definition of Residential Property. This property owner must on 1 July of the financial year:

- occupy the property as his/her primary residence, and
- be at least 60 years of age, or
- has been declared medical unfit even if not yet 60 years of age, and
- be in receipt of a gross monthly household income (excluding medical contributions) not exceeding R15,000.00 from all sources including income of spouse.

8.6.2 The owner must submit the application by 1 July for this rebate to be granted for the financial year in which the application is submitted. (Application forms can be obtained from the Municipality).

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8.6.3 Any owner who, during a financial year, for the first time, meets all the other criteria above may apply to receive the rebate. From the date the Municipality receives the application until the end of that financial year a pro-rata rebate will be calculated, where after all the criteria set out above will apply to applications for rebates in subsequent financial years.

### **8.7 Religious Institutions**

8.7.1 In terms of Section 17(1)(i) of the MPRA, the Municipality may not levy a rate on 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.

### **8.8 Public Benefit Organisations (PBO) / Non-Profit Organisations (NPO)**

8.8.1 The Municipality grants a 75% property rates rebate for the categories of NPOs or public benefit organisations (PBOs) if they comply with the conditions in 5.8.2 and 5.8.3 below. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

8.8.2 In order to be considered, the organisations must either be registered as NPOs under the Non-Profit Organisations Act, 71 of 1997, or be PBOs that qualify for tax exemption as contemplated by Part 1 of Section 30 of the Ninth Schedule of the Income Tax Act. Such registration must be supplied upon request.

8.8.3 In exceptional circumstances the CFO may accept that a property registered in a name other than that of the organisation be regarded as the property of the organisation if it can be proven that the registration is merely to facilitate transfer of the property into the name of the organisation.

## **8. GENERAL**

9.1 Persons who have submitted false information and/or false affidavits and/or failed to notify the CFO of any amended use of properties owned or used by them will have the exemptions, rebates or reductions withdrawn with effect from the date of the incident in question and interest raised as provided for in the Municipality's Credit Control and Debt Collection Policy and By-Law. The Municipality may also take further appropriate action against them.

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- 9.2 All applications for exemptions, rebates or reductions will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Municipality's Credit Control and Debt Collection By-Law and Policy, which may include water and electricity saving measures. Should there be a default on the arrangements, all the rebates, exemptions or reductions granted may be reversed with effect from the date on which the default took place.
- 9.3. Any late applications or deviations from the ownership, registration or usage requirements of this Policy must be motivated in writing to the CFO and will be dealt with in the sole discretion of the CFO, taking into account any factors which he/she deems to be relevant, including, but not limited to considerations of fairness and equity.

### **9. REGULAR REVIEW PROCESSES**

The Municipality's Property Rates Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

### **10. LIABILITY FOR AND PAYMENT OF PROPERTY RATES**

Liability for and payment of property rates is further governed by the MPRA and the Municipality's Credit Control and Debt Collection By-Law and Policy.

### **11. DUE DATES**

The due date for payment of property rates in terms of Sections 26(2)(a) and (b) and 78(4) of the MPRA means the date reflected on a municipal invoice as the final date on which payment is due and payable.

### **12. CLEARANCE CERTIFICATES**

All monies collected by the Municipality including in respect of Special Rating Areas and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1a) of the Systems Act or Section 89 of the Insolvency Act, 24 of 1936, are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- 13.1 all amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of section 118, of the systems act;

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- 13.2 no interest shall be paid by the municipality to the registered seller in respect of these payments which are deemed to be due; and
- 12.3 all payments will be allocated to the registered seller's municipal accounts and all refunds will be made to the transferring attorney.

### **13. EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY FOR PAYMENT**

In terms of the MPRA:

- 14.1 the lodging of an objection or an appeal in terms of Sections 50 and 54 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy;
- 14.2 the review of the municipal valuers' decision in terms of Section 52 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy

### **14. INDIGENCY**

In terms of Section 3(3)(f) and Section 15 of the MPRA all indigents, for rating purposes, will qualify in respect of their Residential Properties for the benefits as set out in paragraph 5.1 of this Policy.

### **15. INTEREST**

Interest shall be raised on overdue accounts as determined in the Credit Control and Debt Collection By-Law and Policy.

### **16. ADJUSTMENT OF PROPERTY RATES PRIOR TO SUPPLEMENTARY VALUATION (SV)**

- 17.1 In circumstances where a valuation has been carried out by the municipal valuator in pursuance of a SV in terms of Section 78(1)(c), 78(1)(d), 78(1)(f), or 78(1)(g) of the MPRA as a result, for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in a SV, such valuation shall be submitted to the CFO for approval to levy property rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event which caused a SV to be required.

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17.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property (ies) in a SV:

17.2.1 the municipal valuator shall conduct a valuation of the relevant property(ies) for purposes of a Supplementary Valuation; and

17.2.2 the valuation shall be submitted to the CFO for approval of the levying of property rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.

17.3 Any valuations performed in terms of paragraph 15 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of Section 49 of the MPRA.

17.4 Corrections on Property Rates can only be done via Supplementary valuations and according to Section 78 of the MPRA.

### **17. FREQUENCY OF VALUATIONS**

The Municipality shall prepare a new valuation roll every 4 (four) years and supplementary valuation every twelve (12) and/or six (6) months.

### **18. CORRECTION OF ERRORS AND OMISSIONS**

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 approximately 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.

### **19. RATES INCREASES**

20.1 The Municipality may consider increasing rates annually during the budget process using the guidelines issued by National Treasury from time to time as a guide.

20.2 Rate increases will be used to finance the increase in operating costs of

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community and subsidised services.

20.3 Affordability of rates to ratepayers.

20.4 All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation meetings, local newspapers, community libraries and municipal websites participation.

20.5 A rates tariff in a financial year shall be determined as a proportion of the amount required to finance the difference between the total budget and the amount raised through the trading services.

### **20. NOTIFICATION OF RATES**

21.1 The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days' notice will be based on the new rates

21.2 A notice stating the extent of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places provided for that purpose.