

**NKETOANA
LOCAL MUNICIPALITY**

PROPERTY RATES POLICY

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NKETOANA LOCAL MUNICIPALITY

PROPERTY RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act and any regulations promulgated in terms thereof; and
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.

2. DEFINITIONS

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

- 2.2 **“Definitions, words and expressions”** as used in the Act are applicable to this policy document where ever it is used;
- 2.3 **“Municipality”** means the municipality of Nketoana;
- 2.4 **“Newly Rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding –
- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
 - (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 2.5 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate.
- 2.6 **“Residential property”** means improved property that:
- (a) is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
 - (b) is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
 - (c) Is owned by a share-block company and used solely for residential purposes.
 - (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- And specifically exclude vacant land irrespective of its zoning or intended use.

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.

- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 3.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
 - (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii. Supports local social economic development
 - (d) Cost efficiency
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE POLICY

- 4.1 This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

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

6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

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

(a) Trading services

- i. Water
- ii. Electricity

(b) Economic services

- i. Refuse removal
- ii. Sewerage disposal

(c) Community and subsidised services

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

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

7. CATEGORIES OF PROPERTY

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

7.1.1 Residential properties;

7.1.2 Industrial properties;

7.1.3 Business properties;

7.1.4 Farm properties (including small holdings) used for:-

- Agricultural purposes only;
- Commercial purposes;
- Industrial purposes;
- Residential purposes;
- Mining purposes;
- A combination of above purposes;

7.1.5 Farm properties not used for any purpose;

7.1.6 State owned properties;

7.1.7 Municipal properties;

7.1.8 Public service infrastructure referred to in the Act;

7.1.9 Informal settlements;

7.1.10 State trust land;

7.1.11 Communal land as defined in section 1 of the Communal Land Rights Act of 2004;

7.1.12 Properties-

- acquired through the Provision of the Land and Assistance Act, 1993(Act 126 of 1993), or the Restitution of Land Rights Act, 1994 (Act 22 of 1994); or
- Properties subject to the Communal Property Associations Act, 1996 (Act 28 of 1996);

7.1.13 Properties owned by Public Benefit Societies;

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

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

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

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

7.3.2 If, for whatever reason, the status or zoning of a property cannot be determined in terms of 7.3.1 the actual use shall then be determined in order to appropriately categorise such property. All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.

7.3.3 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 7.3.1 cannot be applied. However, the geographical area as a criterion should not be used in isolation.

7.4 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9 of this policy document.

8. CATEGORIES OF OWNERS

8.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 respectively the following categories of owners of properties are determined:-

- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;

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

9. PROPERTIES USED FOR MULTIPLE PURPOSES

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

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

10. DIFFERENTIAL RATING

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

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

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

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

11. EXEMPTIONS AND IMPERMISSIBLE RATES

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

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers. Where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates.

(b) Residential properties

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

(c) Public Service Infrastructure

Is exempted from paying rates as they provide essential services to the community.

(d) Public Benefit Organisations

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

i. Public Health care institutions

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

- ii. Welfare institutions
Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
- iii. Public Educational institutions
Property belonging to educational institutions declared or registered by law.
- iv. Charitable institutions
Property belonging to not-for-gain institutions or organisations that perform charitable work.
- iv. Youth development organisations
Property owned and/or used by organisations for the provision of youth leadership or development programme

11.2 Exemptions will be subject to the following conditions:-

- (a) Exemptions in (a) to (c) will automatically apply and no application is thus required.
- (b) all applications referred to in 11.1 (d) must be addressed in writing to the municipality;
- (c) a SARS tax exemption certificate must be attached to all applications;
- (d) the municipal manager or his/her nominee must approve all applications;
- (e) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
- (f) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

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

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

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) On mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds.
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

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

(a) Child headed families –

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

(b) Indigent consumers –

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

(c) Applications must be accompanied by-

- i. a certified copy of the identity document or any other proof of the applicant's age which is acceptable to the municipality;
 - ii. sufficient proof of total household income;
 - iii. an affidavit from the applicant;
- (d) All applications will be dealt with in accordance with the municipality's credit control policy.
- (e) The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

12. REDUCTIONS

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

12.1.1 Partial or total destruction of a property.

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

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

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

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

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

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

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

13. REBATES

13.1. Categories of property

(a) Business, commercial and industrial properties

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

(b) State properties

As annually determined by the municipality.

(c) Residential properties

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

- i. used predominantly for residential purposes;
- ii. registered in terms of the Sectional Title Act;
- iii. owned by a share-block company; or
- iv. a rateable residence on property used for or related to educational purposes.

(d) Privately owned towns serviced by the owner

The municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.4 of this policy provided that an application to that effect is received not later than 30 September of each year.

(e) Agricultural property rebate

- i. Agricultural/farm properties will be granted a standard rebate to be annually determined by the municipality provided that the farm owner is taxed by SARS as a farmer and that proof to this extent in the form of the last tax assessment is submitted. If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40% of the household income.
- ii. An additional rebate as annually determined by the municipality will be granted in respect of the following:-
 - a. For the provision of accommodation in a permanent structure to farm workers and their dependants;
 - b. if such residential properties are provided with potable water;
 - c. if the farmer for the farm workers electrifies such residential properties.
 - d. For the provision of land for burial, educational and recreational purposes to own farm workers as well as people from surrounding farms.

- iii. The granting of additional rebates is subject to the following:
 - a. the submission of an affidavit by 30 September each year including a certificate from the owner's auditors indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met;
 - b. an assessment by the municipal manager or his/her nominee indicating that the application qualifies; and
 - c. a municipal council resolution.

- (f) Cemeteries and crematoriums

The municipality grants a rebate as annually determined for property registered in the names of private persons and operated not for gain, provided that an application in the prescribed format is received not later than 30 September of each year.

- (g) Independent schools

The municipality grants a rebate as annually determined for property used by registered independent schools for educational purposes only, provided that an application in the prescribed format is received not later than 30 September of each year..

- (h) Sporting bodies

The municipality grants a rebate as annually determined for property used by an organisation whose sole purpose is to use the property for sporting purposes on a non-professional basis, provided that an application in the prescribed format is received not later than 30 September of each year..

- (i) Cultural institutions

The municipality grants a rebate as annually determined for properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989, provided that an application in the prescribed format is received not later than 30 September of each year..

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

The municipality grants a rebate as annually determined for above-mentioned property registered in the name of private persons, open to the public and not operated for gain, provided that an application in the prescribed format is received not later than 30 September of each year..

(k) Animal welfare

The municipality grants a rebate as annually determined for property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis, provided that an application in the prescribed format is received not later than 30 September of each year.

13.2 Categories of owners

(a) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residence;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding an amount annually determined by the Municipality;
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- iii. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;

- d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
 - iv. These applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought.
 - v. The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.
- 13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.
- 13.4 The extent of the rebate in terms of 13.1, 13.2 and 13.3 shall annually be determined by the municipality and it shall be included in the annual budget.

14. PAYMENT OF RATES

- 14.1 The rates levied on the properties shall be payable:-
- (a) on a monthly basis; or
 - (b) annually, before 30 September each year.
- 14.2 the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;
- 14.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 14.4 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent policy of the Municipality.

- 14.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act as follows:-
- 14.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:-
- 14.5.1.1 From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;
- 14.5.1.2 From a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 14.5.2 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.
- 14.5.2 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by the owner of the property.
- 14.5.3 The notice referred to in 14.5.2 shall give the party concerned at least 14 calendar days to pay the outstanding rates.
- 14.6 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 14.7 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

15. ACCOUNTS TO BE FURNISHED

- 15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
- (i) the amount due for rates payable;
 - (ii) the date on or before which the amount is payable;
 - (iii) how the amount was calculated;
 - (iv) the market value of the property; and
 - (v) rebates, exemptions, reductions or phasing-in, if applicable.
- 15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

16. PHASING IN OF RATES

- 16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 16.2 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-
- First year : 100% of the relevant rate;
 - Second year : 75% of the relevant rate;
 - Third year : 50% of the relevant rate; and
 - Fourth year : 25% of the relevant rate.

17. SPECIAL RATING AREAS

- 17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.
- 17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever a special rating is being considered:-
- 17.2.1 Proposed boundaries of the special rating area;
 - 17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
 - 17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;
 - 17.2.4 Proposed financing of the improvements or projects;
 - 17.2.5 Priority of projects if more than one;
 - 17.2.6 Social economic factors of the relevant community;
 - 17.2.7 Different categories of property;
 - 17.2.8 The amount of the proposed special rating;
 - 17.2.9 Details regarding the implementation of the special rating;
 - 17.2.10 The additional income that will be generated by means of this special rating.
- 17.3 A committee consisting of 6 members of the community of who 3 shall be women will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.

- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7 of this policy.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 17.7 The municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

18. FREQUENCY OF VALUATION

- 18.1 The municipality shall prepare a new valuation roll every 4 (four) years, with the option to extend the validity of the valuation roll to 5 (five) years with the approval of the MEC for Local Government and Housing in the province.
- 18.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained.

19. COMMUNITY PARTICIPATION

- 19.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:
- 19.1.1 Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries (and on the website).

- 19.1.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection (property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a prescribed fee per copy). Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
- 19.1.3 Public meetings with community structures will be held in the vernacular to ensure maximum participation.
- 19.1.4 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.

20 REGISTER OF PROPERTIES

- 20.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:-
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
 - ii. Rebate or reduction in terms of section 15,
 - iii. Phasing-in of rates in terms of section 21, and
 - iv. Exclusions as referred to in section 17.
- 20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5 The municipality will update Part A of the register every 6 months during the supplementary valuation process.
- 20.6 Part B of the register will be updated on a continuous basis.

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

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

22 REGULAR REVIEW PROCESSES

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

23 ENFORCEMENT/IMPLEMENTATION

- 23.1 This policy has been approved by the Municipality in terms of resolutiondated and comes into effect from 1 July 2009.