

**MANGAUNG
LOCAL MUNICIPALITY**

**PROPERTY RATES POLICY
(FINAL)**

18 MAY 2009

(FOR IMPLEMENTATION ON 1 JULY 2009)

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MANGAUNG LOCAL MUNICIPALITY
PROPERTY RATES POLICY

1. OBJECTIVES

The objectives of this policy are to ensure that-

- a. All ratepayers within a specific category are treated equally and reasonably;
- b. Rates are levied in accordance with the market value of the property;
- c. The rate will be based on the value of all rateable property and the amount required by Council to expenditure of rates related services reflected in the operational budget, taking into account any surpluses generated from Council services and the amounts required to finance exemptions, reductions and rebates that the municipality may approve from time to time;
- d. To optimally safeguard the income base of the municipality by only approving exemptions, reductions and rebates that is reasonable and affordable.

2. LEGISLATIVE CONTEXT

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 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.

2.6 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.

3. DEFINITIONS

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

3.2 “**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;

3.3 “**Agricultural purpose**” in relation to the use of a property, includes the use (of a property for the purpose of eco-tourism or for the trading in or hunting of game);

3.4 “**Annually**” means once every financial year;

3.5 “**Category**”

- (a) in relation to property, means a category of properties determined in terms of Section 7; &
- (b) in relation to owners of properties, means a category of owners determined in terms of Section 8.

3.6 “**Child-headed household**” means a household where the main caregiver of the said household is younger than 21 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.

3.7 “**Definitions, words and expressions**” as used in the Act are applicable to this policy document where ever it is used;

3.8 “**Exclusion**” in relation to a municipality's rating power, means a restriction of that power as provided for in section 17 of the Act.

3.9 “**Exemption**” - in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15 of the Act.

3.10 “**Municipality**” means the **Mangaung Local Municipality**;

3.11 “**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 rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

- 3.12 **“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 communications system serving the public;
 - (g) runways or aprons at national or provincial airports;
 - (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).
- 3.13 **“Market value”** in relation to a property, means the value of the property determined in accordance with section 46 of the Act.
- 3.14 **“Multiple purposes”**, in relation to a property, means the use of a property for more than one purpose.
- 3.15 **“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.
- 3.16 **“Occupier”**, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property.
- 3.17 **“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;
- (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 this 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 a property that is registered in the name of a municipality and is leased by it; 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.

3.18 “**Person**” includes an organ of state

3.19 “**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;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted in terms of legislation; or
- (d) public service infrastructure;

3.20 “**Rebate**” in relation to a rate payable on property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

3.21 “**Reduction**”, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating at that lower amount.

3.22 “**Residential property**” means improved property that:-

- (a) is used predominantly (60% or more) 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.
- (e) Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

And specifically exclude hostels, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

3.23 **“Vacant land”** means any land on which no immovable improvements have been erected.

4 POLICY PRINCIPLES

- 4.1 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.
- 4.2. 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.
- 4.3 There will be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 15 of this policy.
- 4.4 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 ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.
 - (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;
- ii Supports local social economic development; and
- iii. Secures the economic sustainability of every category of ratepayer.

(d) Cost efficiency

Rates will be based on the value of rateable property and will be used to fund community and subsidise services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

5. SCOPE OF THE POLICY

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

6. APPLICATION OF THE POLICY

- 6.1 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.

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:-

- 7.1.1 Residential properties, including small holdings;
- 7.1.2 Business properties;
- 7.1.3 Agricultural properties;
- 7.1.4 State owned properties;
- 7.1.5 Municipal properties;
- 7.1.6 Public service infrastructure referred to in the Act;
- 7.1.7 Properties on which national monuments are proclaimed;

7.1.8 Properties owned by Public Benefit Societies;

7.1.9 Properties used for multiple purposes;

7.1.10 Privately developed estates.

7.1.11 Vacant Stands.

7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the 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 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.

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 indigent in terms of the adopted indigent policy of the municipality;
- (b) Those owners who do not qualify as indigent 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;
- (e) Owners of properties situated in “privately owned towns” as referred to in clause 13.1 (b);
- (f) Owners of agricultural properties as referred to in clause 13.1 (c); and
- (g) 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 in accordance with the “dominant use of the property”.

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 local, 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

(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. However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates in accordance with the lease agreement.

(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. **For the 2009/2010 financial year the maximum reduction is determined as R40 000.** The impermissible rates of R15 000 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. The remaining R25 000 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 allowed for in the Act as they provide essential services to the community.

(d) Right registered against a property

Any right registered against a property as defined in clause 3.19(b) of this policy is exempted from paying rates.

- 11.2 Exemptions in clause 11.1 will automatically apply and no application is thus required.

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 National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) 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 Public Benefit Organisations (PBO's)

Taking into account the effects of rates on PBOs performing a specific public benefit activity and registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, Public Benefit Organizations may apply for the exemption of property rates. Public Benefit Organizations may include, inter alia:-

i 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 Charitable institutions

Property belonging to not-for-gain institutions or organisations that perform charitable work.

iv Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

- v Museums, libraries, art galleries and botanical gardens
Registered in the name of private persons, open to the public and not operated for gain.
 - vi Youth development organisations
Property owned and/or used by organisations for the provision of youth leadership or development programmes.
 - vii Animal welfare
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- 11.5 All possible benefiting organisations in clause 11.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.
- 11.6 Public benefit organisations must attach a SARS 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) to all applications.
- 11.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 11.8 The extent of the exemptions implemented in terms of clauses 11.1 to 11.4 must annually be determined by the municipality and included in the annual budget.

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 clause 12.1:-
- 12.2.1 The owner referred to in clause 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 shall be allowed in respect of both causes 12.1.1 and 12.1.2. For the 2009/2010 financial year the maximum reduction is determined as 80%.

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. 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 approval, 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; and
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.
- iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

(b) 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 3.11 of this policy. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2009/2010 financial year the rebate is determined as 20%.

(c) Agricultural property rebate

- i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-
 - a. the extent of rates related services rendered by the municipality in respect of such properties.
 - b. the contribution of agriculture to the local economy.
 - c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and
 - d. the contribution of agriculture to the social and economic welfare of farm workers.
- ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). For the 2009/2010 financial year the minister has promulgated a ratio of 1:0.25.
- iii. An additional rebate (based on the total property value) of maximum 10% will be granted by the municipality in respect of the following:-
 - a. 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants.
 - b. 2,5% if these residential properties are provided with potable water.
 - c. 2,5% if the farmer for the farm workers electrifies these residential properties.
 - d. 2,5% for the provision of land for burial to own farm workers or for educational or recreational purposes to own farm workers as well as people from surrounding farms.
- iv. The granting of additional rebates is subject to the following:-
 - a. All applications must be addressed in writing to the municipality by 31 August 2009 indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once off requirement. Any new applications for the 2010/2011 financial year and onwards must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement.
 - b. Council reserves the right to send officials or its agents to premises/households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.

- c. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- v. No other rebates will be granted to properties that qualify for the agricultural rebate. For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in clause 11.1(b) of this policy.

(d) Bloemindustria

- i. Council may grant a rebate to rateable properties situated in Bloemindustria
- ii. In determining the annual rebate the municipality shall take into consideration all relevant and applicable circumstances.

13.2 Categories of owners

Indigent owners and child headed families will receive a 100% rebate from rates:-

(a) Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a 100% rebate from payment of property tax. If qualifying in terms of the indigent policy this 100% rebate will automatically apply and no further application is thus required by the owner.

(b) Child headed families

- i. Families headed by children will receive a 100% rebate for paying property tax, according to monthly household income. To qualify for this rebate 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. For the 2009/2010 financial year this amount is determined as R3 000 per month.
- ii. The family head must apply on a prescribed application form for registration as a child headed household and must be assisted by the municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

(c) Retired and Disabled Persons Rate Rebate

Note: The municipality currently does not have any database regarding the possible number of beneficiaries. The municipality will therefore embark on a process during the 2009/2010 financial year to register possible beneficiaries for implementation from 1 July 2010. This rebate will therefore only be implemented in the 2010/2011 financial year.

- i. Retired and Disabled Persons, not registered as indigents, 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 as annually determined by the municipality (including income of spouses of owner);
 - 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. 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.
- iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. *This rebate will however only be implemented in the 2010/2011 financial year.* For the 2010/2011 financial year the total monthly income and corresponding rebate is determined as follows:-
- a. R0 to R5 000 per month - 100%.
 - b. R5 501 to R8 000 per month - 50%.
 - c. R8 001 to R10 000 per month - 20%.
- iv. The municipality retains the right to refuse the exemption 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 rebates granted in terms of clauses 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

14 PAYMENT OF RATES

- 14.1 Payments will be dealt with in accordance with the provisions of the municipality's Credit Control, Debt Collection and Indigent policies.

- 14.2 Interest shall be paid to Council on rates which have not been paid within 30 days from the date on which such rates become due at a rate of 1% higher than the prime rate for the period during which such rates remain unpaid after the expiry of the said period of 30 days. Compounded interest will be levied.
- 14.3 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.
- 14.4 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.
- 14.5 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.

15 PHASING IN OF RATES

- 15.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 15.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:
- First year: 75% of the relevant rate;
 - Second year: 50% of the relevant rate; and
 - Third year: 25% of the relevant rate.

16 FREQUENCY OF VALUATION

- 16.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.
- 16.2 In accordance with the Act the municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 5 (five) years.
- 16.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

17. COMMUNITY PARTICIPATION

- 17.1 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.

18. REGISTER OF PROPERTIES

- 18.1 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.
- 18.2 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.
- 18.3 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
- 18.4 The register will be open for inspection by the public at the following pay points during office hours and on the website of the Municipality.
- Bram Fischer Pay Point, 5 De Villiers Street;
 - Heidedal Pay Point, Da Vinci Crescent, Heidedal;
 - Regional Office Pay Point, Rocklands;
 - Central Park Pay Point, Central Park Shopping Centre,Fontein Street, Bloemfontein;
 - Civic Centre Pay Point, Civic Centre, Stasie Street, Thaba Nchu, and
 - Reahola Pay Point, Reahola Centre, Botshabelo.
- 18.5 The Municipality will update Part A of the register on a continuous basis by way of a supplementary valuation process.
- 18.6 The Municipality will update Part B on an annual basis as part of the implementation of the municipality's annual budget.

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

- 19.1 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 liable for the payment of rates.

20. REGULAR REVIEW PROCESS

- 20.1 The rates policy will be reviewed on an annual basis.

21 ENFORCEMENT / IMPLEMENTATION

- 21.1 This policy has been approved by the Municipality in terms of Council resolutiondated and takes effect on the effective date of the first valuation roll on 1 July 2009.