

JOE MOROLONG LOCAL MUNICIPALITY



PROPERTY RATES POLICY

MUNICIPAL PROPERTY RATES POLICY
LOCAL GOVERNMENT: PROPERTY RATES ACT, 2004

INDEX

- Definitions
- 1. Introduction
- 2. Objectives
- 3. Principles
- 4. Categories of ratable property
- 5. Categories of Owners
- 6. Application of property category
- 7. Rebates, exemptions and reductions
- 8. Frequency of payments
- 9. Correction of errors and omissions
- 10. Frequency of valuations

DEFINITIONS

In this policy, unless the context indicates otherwise, in addition to the definitions contained in both the MPRA and the MFMA, the following meanings are assumed:

“act” means the Local Government Municipal Property Rates Act, act 6 of 2004 (MPRA) and *regulations as amended by the Property Rates Amendment Act, Act 29 of 2014*.

“Agricultural property” means property that is used primarily for agriculture property but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game.

“Business property” means an organization or economic system where goods and services are exchanged for one another or for money, this includes commercial property but with the exclusion mining, agriculture, farming, or inter alia, any other business consisting of cultivation or soil, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

“Date of valuation” means the date determined by a municipality in terms of section 31 (1).

“day” means when any number of days are prescribed for the performance of any act, those days must be reckoned but excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday.

“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); or
- (b) In relation to a supplementary valuation, means the date on which the supplementary valuation takes effect in terms of section 78(2) (b).

“exclusion” in relation to the municipality’s rating power, means a restriction of that power as provided for in section 17.

“exemption” in relation to the payment of a rate, means exemption granted by the municipality in terms of section 15.

“Financial year” means the period starting 1 July in the year to 30 June the next year.

“Income Tax Act” means the Income Tax Act, 1962(Act No.58 of 1962).

“Industrial property” means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated

parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, act 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.

“Land tenure right” means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Right Act, 1991(Act No. 112 of 1991).

“Market value” in relation to a property, means the value of a property determined in accordance with section 46.

“Mining property” means a property used for mining operation as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

“Multiple purpose” in relation to a property, means the use of a property for more than one purpose, subject to section 9.

“Municipal council” or **“council”** means a municipal council referred to in section 18 of the Municipal Structures Act.

“municipality”-

(a) A corporate entity, means a municipality described in section 2 of the Municipal Systems Act

(b) As a geographical area, means a municipal area demarcated in terms of the Local Government Demarcation Act, 1998 (Act no. 27 of 1998)

“Municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act.

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).

“Municipal System Act” means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000).

“Municipal valuer” or **“valuer of the municipality”** means a person designated as a municipal valuer in terms of section 33(1).

“Newly ratable property” means an ratable 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

“occupier” in relation to a property, means a person in actual occupation of a property, whether or not person has a right to occupy the property.

“Office bearer” in relation to the places of public worship, means the primary person who officiates at services at that place of worship; ‘official residence’, in relation to places of public worship, means-

- (a) a portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;’;

“Organ of state” means an organ of state as defined in section 239 of the Constitution.

“owner”

- (a) in relation to a property referred to in paragraph (a) of the definition of **“property”**, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of **“property”**, means a person in whose name the right is registered;
 - “(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act,1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
 - (bB) in the relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act,1980 (Act No. 59 of 1980);
 - (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1) (f), means the holder of the mining right or the mining permit;” and
- (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 liquidator;
 - (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
 - “(viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or “
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“Permitted use” in relation to the property, means the limited purposes for which the property may be used in terms of –

- (a) Any restrictions imposed by
 - (i) a condition of title;
 - (ii) a provision of a Joe Morolong town planning or land use scheme as amended from time to time; or
 - (iii) any legislation applicable to any specific property or properties; or
- (b) Any alleviation of such restrictions.

“person” includes an organ of state.

“Place of public worship” means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right.

“Privately developed estates” means properties divided through sub division or township establishment into developments with full title stands and / or sectional units in accordance with the Town Planning Scheme 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 by the residents of such estate.

“Protected area” means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003.

“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 paragraph (a) to (i)

“Public service purpose” in relation to the use of a property, means property owned and used by an organ of state as-

- (a) hospital or clinic
- (b) schools, pre-schools, early childhood development centers or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,
- (g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes.

“rate” means a municipal rate on property envisaged in section 229(1) (a) of the Constitution.

“ratable property” means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17.

“rebate” in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property.

“reduction” in relation to the rate payable to the property, means the lowering in terms of section 15 of the amount for which it was valued and the rating of the property at that lower amount.

“ratio” in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that two relevant cent amounts in the Rand are inclusive of any relief measures that the number of rebates of a general application to all properties within a property category; and

“Residential property” means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9.

“Vacant land” means:

land where no immovable improvements have been erected;
the value added by the immovable improvements is less than 10% of the value of the land; or vacant land is categorized according to the permitted use of the property with the exception of vacant land earmarked for residential purposes which has a separate category of property.

1. INTRODUCTION

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and 2014 (Act No.29 of 2014), 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 (Act No. 6 of 2004) and 2014 (Act No.29 of 2014), 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
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (Act 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 (Act No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 1.6 The ratio referred to in Circular No.13 issued on 16 February 2021 replaces Circular No. 3 issued on 21 March 2009. The purpose of this Circular is to clarify the meaning of the ratios and the rates implied by the Regulations on the Rate Ratios between Residential and Non-Residential Categories of Properties.

2. OBJECTIVES

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the **Municipal Property Rates Act no. 6 of 2004 and Act No.29 of 2014: Municipal Property Rates Amendment Act, 2014**; including any regulations promulgated in terms of that Act.

3. 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.
- 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. Some categories of property and categories of owners are granted relief from rates. 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, other than by way of an exemption, rebate or reduction provided for in this policy.

- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 3.4 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 ratable property and the amount required by the municipality to balance the operating budget after taking into account profits generated on services and the amounts required to finance free basic services; exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

The council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved integrated development plan of the municipality provides for a greater increase.

The council shall, in imposing the rate for each financial year, take proper cognisance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad debts, equal at least a percentage linked to the CPI of the municipality's aggregate budgeted net revenues for the financial year concerned. By doing so, the municipality will ensure that its revenue base and the collectability of its revenues remain sound.

4. CATEGORIES OF PROPERTY

1. Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the:

a) use of the property

b) Permitted use of the property; or

c) a combination of (a) and (b) above

d) Any property that is not categorised will be defaulted to business category

e) The municipality will under some circumstances, rate the property by its primary use irregardless of the zoning of the property

2. Categories of properties within the municipal jurisdiction include:

a. Residential properties;

b. Industrial properties;

c. Business and Commercial properties;

- d. Agricultural properties;
- e. Mining properties;
- f. Properties owned by an organ of state and used for public service purposes;
- g. Public service infrastructure properties;
- h. Properties owned by public benefit organisations and used for specific public benefit activities;
- i. Vacant land;
- j. Properties used for multiple purposes, subject to section 9; or
- k. any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.

5. CATEGORIES OF OWNERS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the :

- (a) indigent status of the owner of a property;
- (b) sources of income of the owner of a property;
- (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. any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties

6. PROPERTY CATEGORY USES

Rates on properties category will be levied on properties uses:

- (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated in terms of the **Land**

Use Management or Spatial Land Use Management Act; and

- (b) a purpose corresponding with the dominant use of the property;
- (c) a combination of (a) and (b)

7. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

- a) In imposing the rate in the rand for each annual operating budget component, the council shall grant the following exemptions, rebates and reductions to the categories of properties and categories of owners indicated below, but the council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular annual budget so dictate.
- b) In determining whether a property forms part of a particular category indicated below, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated below, the permitted use of the property shall determine into which category it falls.

*	Residential properties or properties of any category used for multiple purposes where the residential component represents on average 90% or more of: the property's actual use	40%
*	Industrial properties (20% BBBEE rebates on application)	NONE
*	Business and commercial properties (20% BBBEE rebates)	NONE
*	Farm properties: residential component	40%
*	Farm properties: business and commercial component (20% BBBEE rebates)	NONE
*	Farm properties: agricultural component (20% BBBEE rebates)	NONE
*	Farm properties: used for no purpose	NONE
*	Smallholdings: residential component	40%
*	Smallholdings: business and commercial component	NONE
*	Smallholdings: industrial component	NONE
*	Smallholdings: agricultural component	50%

*	State-owned properties: residential	40%
*	State-owned properties: public service infrastructure	30%
*	State-owned properties: other	0%
*	Formal and informal settlements: all properties with a ratable value of up to R150 000	100%
*	Formal and informal settlements: all properties with a ratable value of R150 000 or more	40%
*	State trust land	50%
*	Protected areas	NONE
*	Properties on which national monuments are situated, and where no business or commercial activities are conducted in respect of such monuments	100%
*	Properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments	40%
*	Properties owned by public benefit organisations and used to further the objectives of such organisations	100%
*	Properties belonging to a land reform beneficiary or his or her heirs for the first 10 years after the registration of the title in the office of the Registrar of Deeds	100%
*	Property registered in the name of and used primarily as a place of worship by a religious community, including the official residence registered in the name of that community which is occupied by the office bearer of that community who officiates at the services at that place of worship	100%

NOTE: In addition to the foregoing, the first **R15 000** of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of **Section 17(1)(h) of the Property Rates Act.**

Properties used for multiple purposes, other than those referred to under residential properties above, shall be rated on the value assigned to each component, and shall receive the rebate applicable to such component. Where one component on average represents 90% or more of the property's actual use, such property shall be rated as though it were used for that use only.

BBBEE rebates is granted in line with the National Government Policy as a form of economic empowerment initiated in response to criticism against narrow-based empowerment instituted/applicable in the country. An application needs to be made by customers who intend to benefit and will be assessed in terms of the current BBBEE standards of verification. The seven pillars to measure the status will be considered. A rebate of 20% will granted on the first year and may be increased in the second year, however, application will need to be made and the verification from accredited authorities (for example SANAS) will be applicable.

Furthermore, Agricultural properties who are BEE compliant may receive additional discounts to the businesses that reflect the Municipality's social and economic development.

Business, commercial and industrial properties:

- i. The municipality grant a rebate of 20% 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. permanently employ more than twenty (20) workers with South African citizenship for at least a continuous period of twelve (12) months, and the salaries / wages are strictly in terms of the minimum standards set by the Department of Labour;
 - b. social upliftment of the local community
 - c. creation of infrastructure for the benefit of the community.
- ii. Rebates will be granted on application subject to:
 - a. a business plan issued by the directors by the 30th of

- September each year, 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 council resolution.

The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

*	Property owners who are both the permanent occupants and the sole owners of the property concerned and who are registered indigents in terms of the municipality’s Indigent management policy	100% of the rates based on the rateable value up to R150 000 and 75% of the rates based on the rateable value above R150 000
*	Property owners who are over 60 years of age, retired and disabled, who are both the on the ratable value up permanent occupants and the sole owners of the property concerned; and whose aggregate household income is proved to the satisfaction of the municipal manager not to exceed R10 000 per month, or such other amount	100% of the rates based to R150 000, 50% of the rates based on the rateable value above R150 000 but below R150 000, and 40% of the rates based on the rateable value above

as the council may from time to time determines. The individual should not own more than one property

R150 000

- * Owners of properties being approved commercial development is completed, 60% of the rates based on the rateable value for the municipality's financial year or part thereof immediately following the completion of the development, and 40% of the rates based on the rateable value for each of the two ensuing years

NOTE: In addition to the foregoing, the first **R15 000** of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of **Section 17(1)(h) of the Property Rates Act**. The council makes note that a further rebate will be granted for owners over the age of 60 years of age and those that are indigents in terms of the Indigent subsidy policy. These rebates will be granted in terms of **Section 15 (1) (b) of the Property Rates Act**.

Agricultural properties will be granted relief in terms of Gazette no 32061 subject to:

- i. the submission of an affidavit by 30 September each year from each qualifying farmer and including a certificate from the owner's/farmers auditors or such time as may be required by the municipality.
 - ii. an assessment by the municipal manager or his/her nominee indicating that the application qualifies; and
 - iii. a municipal council resolution.
 - iv. All other Agricultural categories on submission of a application for such rebate.
- d. If the farm property is impacted by the Extension of Security of

Tenure Act 62 of 1997 the value of the identified property impacted by the Act will be excluded from the total valuation for rating purposes. The benefits, rights and privileges associated with the identified property must also be valued in order to obtain the true market related valuation.

The municipality must be notified by the owner of such property impacted by the Extension of Security of Tenure Act 62 of 1997 in order to qualify. All relevant deeds and legal documents pertaining to the property and applicant should be attached to the application.

e. Public Benefit Organisations

The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 as amended by regulation 9242 on 12 March 2010 makes provision that Public Benefit Organisations will only pay 25% of the tariff charged to residential ratepayers.

- (iv) It be specifically noted that agricultural owners that had been adversely affected by disaster or loss of income not necessarily as set out in the Disaster Management Act, 2002 (Act No. 57 of 2002) but as agreed to by the Department of Agriculture and Agricultural unions also be exempted by the meaning of
SECTION 15: EXEMPTIONS, REDUCTIONS AND REBATES

The council grants the above rebates in recognition of the following factors:

- The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.
- The need to accommodate indigents and less affluent pensioners.

- The services provided to the community by public service organisations.
- The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.
- The need to preserve the cultural heritage of the local community.
- The need to encourage the expansion of public service infrastructure.
- The indispensable contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.
- The requirements of the **Municipal Property Rates Act no. 6 of 2004 and Municipal Property Rates Act no.29 of 2014** as amended

The municipal manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget component and in the annual financial statements and annual report, and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.

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.
- (b) Cemeteries and crematoriums: Registered in the names of private persons and operated not for gain.
- (c) Public Service Infrastructure: The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 makes provision that PSI will only pay 25% of the tariff charged to Residential ratepayers.

- (d) Public Service Infrastructure 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): The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 as amended by regulation 9242 on 12 March 2010 makes provision that Public Service Infrastructure will only not more than 25% of the tariff charged to residential ratepayers
- ii. 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.
 - iii. Welfare institutions: Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, 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. Sporting bodies: Property used by an organisation whose sole purpose is to use the property for sporting purposes on a non-professional basis.
 - v. Cultural institutions: Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
 - vi. Museums, libraries, art galleries and botanical gardens:

Registered in the name of private persons, open to the public and not operated for gain.

- vii. Youth development organisations: Property owned and/or used by organisations for the provision of youth leadership or development programmes.
- viii. 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.
- viii. Place of worship: Property owned or used primarily for the purposes of congregation

Exemptions will be subject to the following conditions:

- (a) all applications must include a constitution of the organization and be addressed annually in writing to the municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the municipal manager or his/her nominee must approve all applications;
- (d) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought
- (e) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

8. FREQUENCY OF PAYMENTS

Payments for rates shall be made monthly on or before the date specified in each monthly rate account, which date shall be the 15th day of the month concerned or if the 15th is not a business day, the business day immediately following the 15th.

9. 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 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.

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. Furthermore, interest on outstanding debts is taken into account on the budget for the financial year.

10. FREQUENCY OF VALUATIONS

The municipality shall prepare a new valuation roll every five (5) years, and supplementary valuation every 12 (twelve) months or as and when is required.