

Swartland, South Africa

## Property Rates

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## Property Rates

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# Swartland South Africa

## Property Rates By-law, 2014

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**Commenced on 11 July 2014**

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*[Repealed by Property Rates on 12 June 2016]*

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996, the Swartland Municipality enacts as follows—

### 1. Definitions

In this by-law, the English text prevails in the event of any conflict with the Afrikaans text, and, unless the context otherwise indicates—

**"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;

**"agricultural purpose"** in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game;

**"annually"** means once every financial year;

**"category"**—

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

**"conservation area"** means—

- (a) a protected area listed in terms of section 10 of the Protected Areas Act, No 57 of 2003;
- (b) a nature reserve established in terms of the Nature and Environmental Conservation Ordinance, No 19 of 1974; or
- (c) any land which is zoned as open space zone II or III in terms of the municipality's zoning scheme regulations, provided that such protected areas, nature reserves or land, with the exception of tourism facilities that may have been erected thereon, are exclusively utilised for the preservation of fauna and flora and the products of such land are not being traded for commercial gain;

**"council"** means the municipal council of Swartland municipality;

**"exclusion"** in relation to a municipality's rating power, means a restriction of that power as provided for in sections 16 and 17 of the Act;

**"exemption"** in relation to the payment of a rate, means an exemption granted in terms of section 15(1) of the Act;

**"financial year"** means the period starting from 1 July in a year to 30 June of the next year;

**"geographical areas"** means any geographical area as determined by the municipality for the purpose of differential rates;

**"local community"** means—

- (a) that body of persons comprising—
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes the poor and other disadvantaged sections of such body of persons;

**"market value"** means the value of the property determined in accordance with section 46 of the Act;

**"multiple purposes"** means the use of a property for more than one purpose as contemplated by section 9 of the Act;

**"municipal property"** is property registered or which vests in the name of Swartland municipality;

**"municipality"** means the Municipality of Swartland established in terms of section 12 of the Local Government: Municipal Structures Act, 1998, ([Act No 117 of 1998](#));

**"municipal manager"** means a person appointed in terms of section 54A of the Local Government: Municipal Systems Act, 2000, (Act No 32. of 2000);

**"occupier"** means a person in actual occupation or control of a property whether or not that person has a right to occupy the property;

**"owner"—**

- (a) in relation to 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 by the definition in the Act of the term "publicly controlled"; provided that a person mentioned below shall for the purposes of this by-law be regarded by the 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 a deceased estate;
  - (iii) a trustee or liquidator in an insolvent estate or in liquidation;
  - (iv) a judicial manager in the estate of a person under judicial management;
  - (v) a curator in the estate of a person under curatorship;

- (vi) a usufructuary or other person in whose name a usufruct or other personal servitude is registered that is subject to a usufruct or other personal servitude;
- (vii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**"permitted use"** 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) provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

**"policy"** means the municipality's Property Rates Policy reflected in the Schedule to this by-law which policy refers;

**"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 to a person in terms of legislation; or
- (d) public service infrastructure;

**"rate"** means a municipal rate on property envisaged in section 229 (1) (a) of the [Constitution](#) and "rates" has a corresponding meaning;

**"rateable property"** means property on which a municipality may, in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

**"rebate"** means a discount on the amount of the rate payable on the property;

**"reduction"** means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

**"residential property"** means property included in a valuation roll in terms of section 48(2) of the Act as residential;

**"small holding"** means an area predominantly zoned rural or any other equivalent zoning, with the purpose to accommodate smaller rural properties that may be used for agricultural and residential purposes for people seeking a rural lifestyle;

**"the Act"** means the Municipal Property Rates [Act 6 of 2004](#);

**"this by-law"** includes the Property Rates Policy as reflected in the

## 2. Power to levy property rates

The municipality levies property rates in terms of—

- (a) section 229(1)(a) of the [Constitution](#);
- (b) the Act; and
- (c) this by-law.

### **3. Adoption and implementation of policy**

The municipality must adopt and implement a rates policy in accordance with the Act for the levying of rates on rateable property in its area.

### **4. General principles**

- (1) Rates are levied as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll.
- (2) Criteria are provided for the determination of categories of property and owners and for the purpose of levying different rates on categories of property and owners.
- (3) Different rates may be levied for different categories of rateable property.
- (4) Relief in respect of payment for rates shall not be granted to any category of property or owners on an individual basis, other than by way of an exemption, rebate or reduction.
- (5) All ratepayers with similar properties must be treated equally.
- (6) The ability of a person to pay rates must be taken into account.
- (7) Provision must be made for the promotion of local economic development and sustainable local government.
- (8) Rates shall be based on the value of all rateable property and the amount required by the municipality to balance the operating budget.

### **5. Differential rating**

- (1) Subject to the Act, the municipality may levy different rates on different categories of property.
- (2) The criteria for differential rating determined by the municipality in terms of section 3(3)(b)(i) of the Act must be specified in its rates policy.

### **6. Notification of rates**

- (1) The municipality must give notice of all rates approved at least 30 days prior to the date that the rates become effective.
- (2) A notice stating the purport of the Council resolution and date on which the new rates shall become operational must be displayed by the municipality at places installed for that purpose.

### **7. Recovery of rates in arrears from tenants or occupiers**

Subject to the provisions of section 28 of the Act, the municipality may recover rates which are unpaid after the due date by the owner of a property, in whole or in part from the tenant or occupier of such property.

### **8. Recovery of rates in arrears from agents**

Subject to the provisions of section 29 of the Act, the municipality may recover the amount due for rates in whole or in part from the agent of the owner.

### **9. Correction of errors and omissions**

- (1) 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.

- (2) 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 in terms of the municipality's Credit Control and Debt Collection By-law.

## **10. Enforcement mechanisms**

If an owner of a property fails to pay rates in the prescribed manner, the Director: Financial Services must recover from such owner the rates due in accordance with the provisions of the municipality's Credit Control and Debt Collection By-law.

## **11. Appeal**

A person whose rights are affected by a delegated decision of the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefor in terms of section 62 of the Local Government: Municipal Systems Act, [Act 32 of 2000](#) to the municipal manager within 21 days of the date of the notification of the decision.

## **12. Offences and penalties**

A person who—

- (a) makes a false application or declaration which will affect the rates payable on any property whether on his or her own behalf or that of someone else;
- (b) refuses or fails to report any amendments to an application or declaration, referred to in paragraph (a), to the municipality after such occurrence; or
- (c) interferes or hinders an official of the municipality in the execution of his or her duties in terms of this by-law,

commits an offence and upon conviction shall be liable to payment of a fine or imprisonment or to such imprisonment or to both such fine and such imprisonment.

## **13. Repeal of by-laws**

The Rates By-law promulgated on 7 April 2006 is hereby repealed.

## **14. Short title and commencement**

This By-law shall be known as the Swartland Municipality Property Rates By-law and shall become effective on 1st July 2014.

## **Schedule**

### **SWARTLAND MUNICIPALITY PROPERTY RATES POLICY**

In terms of section 3 of the Local Government: Municipal Property Rates Act, 2004 ([Act 6 of 2004](#)), the Municipality of Swartland hereby adopts the following Property Rates Policy—

#### **1. Purpose of the policy**

The purpose of the policy is—

- (a) to comply with the provisions of section 3 of the Act; and

- (b) to determine criteria to be applied for—
  - (i) the levying of different rates for different categories of properties;
  - (ii) exemptions;
  - (iii) reductions and rebates; and
  - (iv) rate increases;
- (c) to determine or provide criteria for the determination of—
  - (i) categories of properties for the purpose of levying different rates; and
  - (ii) categories of owners of properties or categories of properties, for the purpose of granting of exemptions, rebates and reductions;
- (d) to determine how the municipality's powers must be exercised in relation to multipurpose properties;
- (e) to identify and quantify in terms of cost and benefit to the community—
  - (i) exemptions, rebates and reductions;
  - (ii) exclusions; and
  - (iii) rates on properties to be phased in;
- (f) to take into account the effect of rates on the poor;
- (g) to take into account the effect of rates on organisations conducting particular public benefit activities and registered in terms of the Income Tax Act for tax exemptions because of those activities, in the case of property owned and used by such organisations for those activities;
- (h) to take into account the effect of rates on public service infrastructure;
- (i) to allow the municipality to promote local economic and social development;
- (j) to identify all rateable property;
- (k) to take into account, when considering the criteria to be applied in respect of any exemptions, rebates and reductions on properties used for agricultural purposes—
  - (i) the extent of services provided by the municipality in respect of such properties;
  - (ii) the contribution of agriculture to the local economy;
  - (iii) the extent to which agriculture assists in meeting the service delivery and development obligations of the municipality; and
  - (iv) the contribution of agriculture to the social and economic welfare of farm workers;
- (l) to ensure that any exemptions, rebates or reductions provided for in this policy comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government; and
- (m) to ensure that the municipality does not grant relief in respect of the payment of a rate—
  - (i) to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in this policy and granted in terms of section 15 of the Act; or
  - (ii) to the owners of properties on an individual basis.



## 2. Policy principles

- (1) The levying of a rate on a property is an exclusive power of the municipality which will be applied optimally and expansively within the municipality and with due regard to the total income pool of the municipality.
- (2) The rating of property will be done impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions and rebates contemplated in section 15 of the Act.
- (3) The rating of property will be implemented in a way that—
  - (a) is developmentally orientated;
  - (b) supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
  - (c) supports local and social economic development.
- (4) Property rates may be levied to correct the imbalances of the past and to minimise the effect of rates on the poor.
- (5) Rates will be levied in proportion to the market value of the property.
- (6) The rates tariff will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading and economic services and the amounts required to finance exemptions, rebates, reductions and phasing in of rates as approved by the council.
- (7) Trading and economic services must be ring fenced and tariffs and service charges calculated in such a manner that the income generated covers the cost of the services or generates a profit.
- (8) Property rates may be used to finance community services.
- (9) Profits on trading and economic services may be used to subsidise community services.
- (10) The provision for working capital and bad debts must relate to the requirements for community services and not to those of trading and economic services.
- (11) The income base of the municipality must be protected by limiting reductions, exemptions and rebates.

## 3. Levying of rates

- (1) Subject to the provisions of sub paragraph (2), the municipality must levy rates on all rateable property in its area of jurisdiction at a rate to be fixed in terms of section 14 of the Act.
- (2) Rates may not be levied—
  - (a) as contemplated in terms of section 17 of the Act;
  - (b) on property of the municipality;
  - (c) on public services infrastructure which is the property of a municipal entity;
  - (d) property referred to in section 7(2)(a)(iii) and (iv) of the Act; and
  - (e) property exempted in terms of paragraph 7 hereof.

## 4. Categories of property

Properties will be categorised as follows—

- (a) residential properties;

- (b) industrial properties;
- (c) business properties;
- (d) properties in rural areas in terms of which consent uses have been approved;
- (e) agricultural properties such as—
  - (i) farm properties and smallholdings used for bona fide farming and residential purposes; and
  - (ii) farm properties registered in the name of an agricultural society which are affiliated to the SA Agricultural Union;
- (f) state-owned properties, excluding state-owned property contemplated in sub paragraph (l) below;
- (g) municipal property, registered in the name of the Swartland municipality or properties of which the ownership vests in the municipality;
- (h) public service infrastructure;
- (i) informal settlements including those on land which are not subdivided into residential erven;
- (j) property—
  - (i) acquired through the Provision of Land and Assistance Act, 1993. ([Act No 126 of 1993](#)), or the Restitution of Land Rights Act, 1994 ([Act No 22 of 1994](#)); or
  - (ii) which is subject to the Communal Property Association Act, 1996. ([Act No 28 of 1996](#));
- (k) conservation areas;
- (l) properties on which national monuments are proclaimed;
- (m) properties owned by the following public benefit organisations and used for the corresponding public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax [Act, No 58 of 1962](#)—
  - (i) welfare and humanitarian organisations;
  - (ii) cultural organisations;
  - (iii) sporting organisations;
  - (iv) conservation, environmental and animal welfare organisations;
  - (v) healthcare organisations; and
  - (vi) education and development.
- (n) properties used for multiple purposes in terms of the municipality's zoning scheme regulations; and
- (o) properties in geographical areas as determined by the municipality for the purpose of differential rates.

## 5. Categories of owners

- (1) In terms of section 15(2) of the Act the following categories of owners will be recognised—
  - (a) owners who qualify for indigent support in terms of the municipality's Credit Control and Debt Collection policy;
  - (b) an owner of a dwelling unit who is 60 years or older and where the income of such an owner plus the income of his or her spouse is equal to or less than twice the old age grant paid by the State plus 10%;

- (c) owners of property situated within an area affected by—
  - (i) a disaster within the meaning of the Disaster Management Act, 2002 ([No 57 of 2002](#)); or
  - (ii) any other adverse social or economic conditions;
- (d) owners of residential properties of which the market value is lower than an amount determined by the municipality; and
- (e) owners of residential properties who are 65 years or older.

## 6. Differential rates

- (1) In terms of section 8 of the Act the municipality may levy differential rates for different categories of rateable property.
- (2) A rate equal to 25%, or such lesser rate as the municipality may determine, of the rate applicable to residential properties may be levied in respect of—
  - (a) agricultural property; and
  - (b) that portion of a property in the category "multiple purposes" which has been apportioned for agricultural purposes in terms of section 15(2) of the Act.
- (3) The rate mentioned in sub paragraph (2) will be applied throughout irrespective of the fact that services like water and sanitation, roads, electricity and waste removal are provided to agricultural properties.

## 7. Exemptions

- (1) To reduce the rates burden and cost of service charges all municipal properties are exempted from property tax, including municipal property which is leased.
- (2) The following properties will also be exempt from rates—
  - (a) property assigned to the category contemplated in paragraph 4(l); provided that—
    - (i) the organisation which owns such a property, is registered for tax exemption in terms of the Income Tax Act;
    - (ii) a valid certificate issued by the SA Revenue Services confirming such registration is submitted; and
    - (iii) an application for exemption from rates for the ensuing financial year is submitted annually on or before 30 September.
  - (b) property registered in the name of a public benefit organisation (welfare and humanitarian) which is used for the following public benefit activities—
    - (i) the care for, or counseling of abandoned, abused, neglected, orphaned or homeless children or the provision of education programmes relating to such children;
    - (ii) the care for, or counseling of poor and needy persons where more than 90% of the persons to whom the care or counseling is provided are over the age of 60 years;
    - (iii) the care for, or counseling of physically or mentally abused and traumatised persons or the provision of education programmes relating to such persons;
    - (iv) the provision of disaster relief;
    - (v) the rescue or care of persons in distress;
    - (vi) the provision of poverty relief;

- (vii) rehabilitative care, counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial;
- (viii) the rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances;
- (ix) conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa;
- (x) the promotion or advocacy of human rights and democracy;
- (xi) the protection of the safety of the general public;
- (xii) the promotion or protection of family stability;
- (xiii) the provision of legal services for poor and needy persons;
- (xiv) the provision of facilities for the protection and care of children under school-going age of poor and needy parents;
- (xv) the promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees;
- (xvi) community development for poor and needy persons and anti-poverty initiatives, including—
  - (aa) the promotion of community based projects relating to self-help, empowerment, capacity building, skills development or anti-poverty;
  - (bb) the provision of training, support or assistance to community based projects contemplated in paragraph (aa); or
  - (cc) the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the minister by way of regulation; and
  - (dd) the promotion of access to media and a free press.
- (c) property registered in the name of a public benefit organisation (cultural) which is used for the following public benefit activities—
  - (i) the advancement, promotion or preservation of the arts, culture or customs;
  - (ii) the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries; and
  - (iii) the provision of youth leadership or development programmes.
- (d) property registered in the name of a public benefit organisation (sport) which is used for the administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.
- (e) property registered in the name of a public benefit organisation (conservation, environmental and animal welfare) which is used for the following public benefit activities—
  - (i) engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere;
  - (ii) the care of animals, including the rehabilitation or prevention of the ill-treatment of animals; and

- (iii) the promotion of education and training programmes relating to environmental awareness, greening, clean-up or sustainable development projects.
- (f) property registered in the name of a public benefit organisation (healthcare) which is used for the following public benefit activities—
  - (i) the provision of healthcare services to poor and needy persons;
  - (ii) the care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard;
  - (iii) the prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS;
  - (iv) the care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard;
  - (v) the provision of blood transfusion, organ donor or similar services; and
  - (vi) the provision of primary healthcare education, sex education or family planning.
- (g) property registered in the name of an agricultural society affiliated to or recognised by the South African Agricultural Union, which is used for the purposes of such a society shall be exempt from rates, provided that the owner thereof applies annually on or before 30 September for exemption for the ensuing financial year.
- (h) property which have been assigned to the following categories—
  - (i) "informal settlements" in terms of paragraph 4(h);
  - (ii) "conservation areas" in terms of paragraph 4(j), or that portion of a property in the category "multiple purposes" which, in terms of section 9 of the Act, has been apportioned for conservation area purposes in accordance with paragraph 4(m) ;
  - (iii) "public service infrastructure" in terms of paragraph 4(g);
  - (iv) residential property with a market value of R100 000 or less, which has been assigned to the category contemplated in paragraph 5(1)(d). (The R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be deemed to be excluded from the amount of R100 000.)

## 8. Rebates

- (1) The municipality may grant rebate to industrial enterprises that promote local, social and economic development in its area of jurisdiction.
- (2) The following criteria shall 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.
- (3) For purposes of rebate an industrial enterprise shall be considered to be an enterprise which is lawfully conducted from premises zoned for industrial purposes in terms of the municipality's zoning scheme and which employs at least 25 or more fulltime employees on such premises.
- (4) Rebate shall be phased out within five years from the date on which the rebate was granted for the first time.

- (5) Rebate may be granted on application subject to—
- (a) the submission of a business plan indicating how the local, social and economic development objectives of the municipality are going to be complied with;
  - (b) the submission of a continuation plan certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plans to continue to achieve the objectives; and
  - (c) an assessment and confirmation by the municipal manager that the company qualifies.
- (6) Rebate may be granted in respect of the following properties—
- (a) property assigned to the category contemplated in paragraph 4(l); provided that—
    - (i) the organisation which owns such a property, is registered for tax exemption in terms of the Income Tax Act;
    - (ii) a valid certificate issued by the SA Revenue Services confirming such registration is submitted; and
    - (iii) an application for exemption from rates for the ensuing financial year is submitted annually on or before 30 September.
  - (b) property registered in the name of a public benefit organisation (education and development) which is used for the following public benefit activities—
    - (i) the provision of education by a school as defined in the South African Schools Act, 1996, ([Act No 84 of 1996](#));
    - (ii) the provision of higher education by a higher education institution as defined in terms of the Higher Education Act, 1997, ([Act No 101 of 1997](#));
    - (iii) adult basic education and training, as defined in the Adult Basic Education and Training Act, 2000, (Act No 52 of 2000), including literacy and numeracy education;
    - (iv) further education and training provided by a public further education and training institution as defined in the Further Education and Training Act, 1998, ([Act No 98 of 1998](#));
    - (v) training for unemployed persons with the purpose of enabling them to obtain employment;
    - (vi) the training or education of persons with a severe physical or mental disability;
    - (vii) the provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph (ii);
    - (viii) the provision of educare or early childhood development services for pre-school children;
    - (ix) training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government;
    - (x) the provision of school buildings or equipment for public schools and educational institutions engaged in public-benefit activities contemplated in subparagraphs (a) to (h);
    - (xi) career guidance and counseling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (i) and (viii);
    - (xii) the provision of hostel accommodation to students of a public benefit organisation, institution, board or body;

- (xiii) programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, preschools or educational institutions as envisaged in subparagraphs (i) to (viii);
    - (xiv) educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
  - (c) properties which have been assigned to geographical areas in accordance with the provisions of paragraph 4(o).
  - (d) property assigned to the categories as contemplated by paragraphs 4(e) and 4(k).
  - (e) dwelling units categorised in paragraph 5(1)(b) and subject to compliance with the following requirements—
    - (i) application for rebate must be submitted annually before 30 September;
    - (ii) applicant must be the registered owner of the property;
    - (iii) the combined income of the owner and his or her spouse must be equal to or less than twice the old age pension as determined by the minister plus 10%;
    - (iv) the owner must be 60 years or older in the case of females and 65 years or older in the case of males;
    - (v) the owner must occupy the property; and
    - (vi) in the case of a semidetached house of which a section is rented out the rebate will only apply to that portion occupied by the owner.
  - (f) properties categorised in paragraph 5(1)(a) of which the owners qualify for indigent support in terms of the municipality's credit control and debt collection policy, to an amount equal to the rate payable on the first R100 000 of the valuation of such a property, subject to the conditions contained in the said policy. (Such owner shall be liable for payment of rates in respect of the valuation of the particular property in excess of R100 000, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R100 000.)
  - (g) residential properties categorised in paragraph 5(1)(e), to an amount equal to the rates payable on the first R200 000 of the valuation of such property, provided that the owner—
    - (i) must be older than 64 years and shall qualify for such rebate with effect from the financial year during which such owner turns 65 years;
    - (ii) must be the registered owner of the residential property concerned and must occupy such property; and
    - (iii) qualifies for only the most beneficial of any rebates for which he or she qualifies in terms of this policy.
- (The R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R200 000.)
- (7) Applications for rebate must be accompanied by the following—
- (a) certified copy of the identity document of the owner or any other proof of the owner's age; provided that no age requirement will apply if the owner is a disabled person in receipt of a disability grant; and
  - (b) proof of a disability grant where applicable.

## 9. Application for exemption or rebate

- (1) Application for exemption or rebate must be made on the prescribed form obtainable from the chief financial officer.
- (2) The following information must be furnished on the prescribed form—
  - (a) personal particulars of the applicant;
  - (b) postal address of the applicant;
  - (c) erf or lot number of the property in respect of which application is made, as depicted in the municipality's valuation records;
  - (d) a description of the purpose for which such property is used; and
  - (e) any other particulars which the municipality may require.
- (3) All applications for exemption or rebate must be considered by the chief financial officer or his delegatee.
- (4) The chief financial officer or his delegatee may refuse an application for exemption of tax or a rebate on tax if—
  - (a) the information furnished on the application form is incomplete, incorrect or false; or
  - (b) the application form is not received on or before the due date determined for such applications.

## 10. Reductions

- (1) Reduction in the municipal valuation as contemplated in section 15 (1)(b) of the Act may be granted where the value of a property is affected by fire damage, demolition or floods.
- (2) The reduction will be subject to a certificate issued by the municipal valuator.

## 11. Rate adjustments

- (1) The municipality may adjust rates annually during the budget process.
- (2) Rate adjustments must be used to finance operating costs of community services.
- (3) The following annual adjustments will be made in respect of community services—
  - (a) all salary and wage adjustments as agreed at the National Bargaining Council;
  - (b) an inflation adjustment for general expenditure, repairs and maintenance and contributions to funds; and
  - (c) additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (4) Extraordinary expenditure not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an adjustment in property rates.
- (5) All adjustments in the property rates must be communicated to the local community in terms of the council's policy on community participation.

## 12. Multipurpose use of property

Rates on properties which have been assigned to the category "multiple purposes" shall be levied at the rate as contemplated in section 9(2) of the Act.



**13. Costs of exemptions, rebates, reductions and phasing in of rates**

- (1) During the budget process the chief financial officer must inform council of all the costs associated with the suggested exemptions, rebates and reductions as well as the cost of phasing in of rates and grants in lieu of rates.
- (2) Provision must be made in the operating budget for—
  - (a) the full potential income associated with property rates; and
  - (b) the full costs associated with exemptions, rebates, reductions, phasing in of rates and grants in lieu of rates.

**14. Payment arrangements**

The following matters shall be dealt with in terms of the municipality's credit control and debt collection policy—

- (a) the date on which rates become due;
- (b) the due date for payment of rates which are levied monthly as well as annually;
- (c) interest on taxes in arrears; and
- (d) steps against defaulters.

**15. Utilisation of property**

Where it is necessary to determine the use of property the permitted use of such a property, as contemplated in section 8(1)(b) of the Act, shall be decisive.