

# EDUMBE LOCAL MUNICIPALITY



## Property Rates POLICY

**2025/26**

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## PROPERTY RATES POLICY

### PREAMBLE

#### WHEREAS:

The Council of the eDumbe Municipality has resolved to levy rates on the market value of all rateable properties in its area of jurisdiction as reflected in its valuation rolls compiled in terms of the Municipal Property Rates Act No 6 of 2004 in order to provide a source of revenue to perform its allocated functions;

The Municipality may impose rates on property in terms of section 229 of the Constitution of the Republic of South Africa 1996, Section 2(1) of the Municipal Property Rates Act (No. 6 of 2004) and in doing so must exercise the power to levy rates. Section 2(3) requires a municipality to develop a property rates policy in terms of which rates are going to be collected. This is confirmed in terms of Section 62 (1)(f)(ii) of the Municipal Finance Management Act (56 of 2003) which requires the municipal manager to ensure that the municipality has and implements a property rates policy.

The Municipality must in terms of section 3 of the Act formally adopt a property rates policy consistent with the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

Revenue raised from property rates will be used by the Municipality to perform its functions in accordance with its Constitutional obligations which include the rendering of municipal services, promote social and economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in the matters of local government.

## PART 1: DEFINITIONS

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property Rates Act 6 of 2004 (“the Act”) and for this purpose lists hereunder the definitions used in the Act unless otherwise stated.

In this Property Rates Policy, unless the context indicates otherwise—

“**Act**” Means the Local Government: Municipal Property Rates Act (Act 6 Of 2004)

“**Actual use**”, the actual use of a property at the time of valuation and does not legalise the illegal use of a property in terms of the Municipality’s Town Planning Scheme if such scheme exists “**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 Property**” in relation to the use of a property, means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of [a] the property for the purpose of eco-tourism or for the trading in or hunting of game. They are therefor categorised in terms of Section 8(2)(d)(i) of the Municipal Property Rates Act 6 of 2004.

“**Agricultural Smallholdings**” are properties located outside a formal township, and the dominant use is that of small scale, yet intensive, commercial farming operation. Smallholdings where limited farming is taking place and where the property’s dominant use is that of residence or lifestyle property, are not in this category. In general rule, the properties are up to 30 hectares in extent, but not necessarily limited to this extent. They are therefore categorised in terms of Section 8(2)(f)(i) of the Municipal Property Rates Act 6 of 2004

“**Annually**” means once every financial year.

“**Category**” in relation to property, means a category of properties determined in terms of Section 8 and Section 9 of the Act; and in relation to owners of properties, means a category of owners determined in terms of section 15(2).

“**Child headed Household**” means a household recognised as such in terms of section 137 of the Children’s Amendment Act, 41 of 2007.

**“Commercial, Business ”** means properties located within a formal township and they are improved with buildings suitable for conducting business such as retail shops and offices. Vacant land can also fall within this category if its most likely future use is for commercial purposes. They are therefore categorised in terms of Section 8(2)(c) of the Municipal Property Rates Act 6 of 2004.

**“Communal Land Properties”** are defined in Section 1 of the Communal land Rights Act,2004. They are therefore categorised in terms of Section 8(2)(1) of the Municipal Property Rates Act 6 of 2004

**“Constitution,”** a body of fundamental principles or established precedents according to which our State is governed.

**“Day’** means when any number of days are prescribed for the performance of any act, those days must be reckoned by 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.

**“Disabled”** means a person who qualifies to receive relief in terms of the Social Services Act, (Act 59 of 1992) or has been certified as disabled by a medical practitioner and qualifies in terms of the income threshold as defined in the Council’s Customer Care Policy.

**“Dominant Use”**, the use of a property is predominant in a specific use in terms of its measured building area. The dominant regulated permitted use. The use of a property is determined by the Municipal Valuer. The dominant use is the most likely use for which the property will be sold or marketed. For example, a small holding which does not qualify as a bone fide farm but which has a large residence and which is sold or used on a primary residence will most likely be sold/marketed as a lifestyle property for residential purposes. The dominant use is therefore a residential small holding.

**“Equitable Treatment of Ratepayers”**: the impartially fair and just treatment of all ratepayers.

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

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

**“Income Tax Act”** means the Income Tax Act (Act 58 of 1962).

**“Indigent Owner”** means an owner of property who has permanent occupation of the property and qualifies for indigent relief in terms of the municipality’s Customer Care Policy. Such an owner may

not own more than one property within the municipal jurisdiction and the household must consume less than an amount of electricity and water per month as defined in the municipality’s Customer

Care Policy.

**“Industrial Properties”** are properties located within a formal township and they are improved with buildings suitable for manufacturing, warehousing, workshops, etc. Vacant land can also fall within this category if its most likely use is for industrial purposes. They are therefore categorised in terms of Section 8(2)(b) of the Municipal Property Rates Act 6 of 2004.

**“Land tenure right”** means [an old order right or a new order right] a land tenure right as defined in section 1 of the [Communal Land Rights Act, 2004 (Act No. 11 of 2004)] Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);”;

**“Market Value”**: In relation to a property, means the value of the property determined in accordance with section 46 of the Act.

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

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

**“Municipality”** means the municipal council for the municipal area of eDumbe.

**“Municipal Owned Property”**: Properties registered in the name of eDumbe local Municipality and are used for a variety of purposes, including but not limited to clinics, offices, vacant land, etc. They are therefore categories in terms of Section 8(2)(h) of the Municipal Property Rates Act 6 of 2004

**“Municipal Leases”**: Property owned by the Municipality and leased to another party. The Municipality reserves the right to recover municipal rates against all properties registered in the name of the Municipality over which a portion or all of its property is leased either through an existing lease agreement where rates are exclusive or through the provisions of the Municipal Property Rates Act. Rates payable will be based on the rates category and market value as contained in the Valuation Roll.

**“Municipal Structures Act”** means the Local Government: Municipal Structures Act (Act 117 of 1998).

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act (Act 32 of 2000).

**“Municipal Valuation”** means a valuation of a rateable property within the municipal area by the Municipal Valuer in terms of the Act.

**“Non Profit Organisation”** means Non-profit organizations registered in terms of the non-profit organizations Act

**‘Office bearer’**, in relation to 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;

**“Occupier”**: In relation to a property, means a person who occupies the property, whether or not that person has a right to occupy the property.

**“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.

(A) 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;

‘(B) in 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);

‘(C) 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;

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 registered in the name of the municipality and is leased by it; or

vii. A buyer, in the case of a property that was sold by a municipality.

“ (vii) 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

“Pensioner”: A person:

a) Must be at least 60 years of age or older;

b) Who is the sole owner of the property, or owner jointly with his/her spouse;

c) Who does not own another property within the municipal area.

“**Permitted Use**”: Any restrictions imposed by:

a) A condition of title;

b) A provision of a town planning or land use scheme; or

c) Any legislation applicable to any specific property or properties;

d) Any alleviation of any such restrictions.

“**Person**” also **includes** an organ of state.

“**Places of Public Worship**”: Property which is registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community, which is occupied by an office bearer of that community who officiates at services of that place of worship. 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;

**“Policy”** means the Property Rates Policy adopted by Council in terms of section 3(1) of the Act.

**“Prescribe”** means prescribe by regulation in terms of section 83 of the Act.

**“Property”** means:

- a) Immovable property registered in the name of a person, including, in the case of a sectional title unit registered in the name of a person/legal entity;
- b) A right registered against immovable property in the name of a person/legal entity, excluding a mortgage bond registered against the property;
- c) A land tenure right registered in the name of a person/legal entity or granted to a person/legal entity in terms of legislation; or
- d) Public service infrastructure.

**“Protected Areas Act”** means the National Environmental Management: Protected Areas Act, 2003.

**“Public Benefit Organization”**: A property where the dominant activity is listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act. They are therefore categorised in terms of Section 8(2)(q) of the Municipal Property Rates Act 6 of 2004.

**“Public Service Infrastructure”** means publicly controlled infrastructure such as roads, water, reservoirs, water treatment plants, power stations, pipelines, railways lines communication systems etc. PSI properties are divided into “Linear PSI” and “Individual PSI” properties runways [or], 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. These are fictitious properties created along the length of the services, and with standard widths according to typical specifications for each type of service. Where they overlap a longitude PSI subdivision created for a linear servitude, the surface / override the longitudinal PSI Servitude. Individual PSI properties comprise ‘regular’ subdivisions for sub-stations pump stations, utility buildings, etc. They are therefore categorised in terms of Section 8(2) (i) of the Municipal Property Rates Act 6 of 2004

**‘Public service purposes’**, in relation to the use of a property, means property owned and used by an organ of state as—

- a) Hospitals or clinics;

- b) Schools, pre-schools, early childhood development centres or further education and training colleges;
- c) National and provincial libraries and archives;
- d) Police stations;
- e) Correctional facilities; or
- f) Courts of law, but excludes property contemplated in the definition of 'public service infrastructure'

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

**“Rateable Property”** means a 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.

**‘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 the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**“Rebate”**: In relation to a rate payable on a property, means a discount granted in terms of section 15 of the Act on the amount of the rate payable.

**“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 of that property at the lower amount.

**“Register”** means to record in a register in terms of:

- a) The Deeds Registries Act, (Act 47 of 1937); or
- b) The Mining Titles Registration Act, (Act 16 of 1967); and includes any other formal act in terms of any other legislation to record:
- c) A right to use land for or in connection with mining purposes; or
- d) A land tenure right.

**“Residential Property”** means a property included in a valuation roll in terms of section 48(2)(b) [as residential;] in respect of which the primary use or permitted use is for residential purposes without derogating from section 9; They are therefore categorised in terms of Section 8(2)(a) of the Municipal Property Rates Act 6 of 2004 ‘residential property’

**“Specialised Non-market Properties”** including national monuments, schools (both state and private, crèches), cemeteries/crematorium, prisons, law courts, libraries, military bases, police stations, sports clubs including stadiums, public open spaces including parks, vacant land to be used for these purposes. Other non-market

properties may be assigned to this category by the Municipal Valuer in consultation with the municipality.

**”State Owned Properties”** are properties registered in the name of the state and are used for a variety of purposes, including but not limited to, schools, hospitals, police stations, vacant land, etc. They are therefore categorised in terms of Section 8(2) (f) (ii) of the Municipal Property Rates Act 6 of 2004.

**‘Socio-economic development’** is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". **Sustainable** development encompasses a balance between three pillars, namely economy, environment and society. The requirements of each must be considered and integrated into all activities to achieve sustainability.

**“Squatters/Dwellers”** means the workers previously employed by agricultural owners currently residing on the agricultural property and has not yet been addressed or the particular cases not yet finalized in terms of the Extension of Security of Tenure Act 62 of 1997.

**”Tourism and Hospitality – Rural”** These properties are located outside of a formal township. They serve the tourism and hospitality sector e.g. hotels, resorts, B&B establishments, lodges, restaurants, etc. The dominant use of the property is for hospitality purposes

**”Tourism and Hospitality – Urban”** These properties are located within a township [and serve the tourism and hospitality sector, e.g. hotels, B&B establishments, lodges, restaurants, etc. The dominant use of the property is for hospitality purposes

All other terms are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

## PART 2: FUNDAMENTAL PRINCIPLES OF THIS POLICY

The principles of the policy are to ensure that:-

2.1 the power of the municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital or labour in terms of Section 229 of the Constitution of the Republic of South Africa;

2.2 all ratepayers, in a specific category of properties, as determined by council from time to time, will be treated equitably;

2.3 property rates will be assessed on the market value of all rateable properties as contained in the valuation rolls of the municipality for the purpose of generating revenue for the municipality to perform its functions.

2.4 Property rates will not be used to subsidize trading and economic services like electricity, refuse removal;

2.5 The rates income generated by the municipality will take into account relief measures;

2.6 this Policy will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act

### **PART 3: THE PURPOSE OF THIS POLICY**

The purpose of this policy is to:

3.1 comply with the provisions of section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

3.2 give effect to the principles outlined above;

3.3 determine the methodology and to prescribe procedures for the implementation of the Act;

3.4 determine criteria to be applied for the levying of differential rates for different categories of properties;

3.5 determine criteria for the determination of categories of properties and categories of owners;

3.6 determine criteria to be applied for granting exemptions, rebates and reductions;

3.7 determine measures to promote local economic and social development.

### **PART 4: IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE**

4.1. This policy takes effect from 1 July 2015 being the effective date of the first valuation roll prepared by the municipality in terms of the Municipal Property Rates Act, 2004 ( Act No. 6 of 2004) and will accompany the municipality's budget for the financial year 2013/2014.

4.2. The Rates Policy will be reviewed annually.

4.3 The Municipality will adopt by-laws to give effect to the implementation of its Property Rates Policy and such by-laws must be read in conjunction with this policy.

4.4 The by-laws adopted in terms of Item 4.3 will be reviewed annually, and if necessary be amended by the Municipal Council, in conjunction and in accordance with its Property Rates Policy

4.5 The adoption of By-laws will be in accordance with the provisions of the Municipal Systems Act.

### **PART 5: EQUITABLE TREATMENT OF RATEPAYERS**

This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act. The Municipality may adopt measures to ensure equitable and fair treatment of ratepayers.

Any differentiation in levying rates on the different categories of properties and owners will not constitute unfair discrimination.

## **PART 6: DISCRETIONARY DECISIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES**

It is recorded that the Municipality has adopted the following resolutions:

6.1 To levy rates on all rateable properties in its area of jurisdiction.

6.2 To determine the date of implementation as 1 July 2013

6.3 To determine the date of general valuation as 1 July 2013 but with the subsequent dates for the implementation of Supplementary Valuations.

6.4 To levy different cents in the rand for different categories of rateable property.

6.5 That the categories of properties for the purpose of differential rating referred to in 6.4 above are those specified in Part 8

6.6 That the criteria for the assessment of market value in terms of section 8(1) of the Act shall be actual use.

6.7 Properties will be valued in terms of the dominant use of the measured area and building area of the property.

6.8 To determine a market value for public infrastructure services that is identifiable on the basis of vacant land.

6.9 To rate as part of public service infrastructure properties in the ownership of the District Municipality

6.10 Not to rate properties of which the municipality is the owner except where leased to

another party

7.1 Differential rating is the levying of different rates for different categories of properties. The Municipality has resolved to levy differential tariffs for different categories of rateable properties as reflected in the policy and the tariffs applicable to the different categories of properties are as resolved by the council in its tariff policy and gazetted:

## **PART 8 CATEGORIES OF RATEABLE PROPERTY**

8.1. 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

actual use of the property. The allocation of the property category is the discretion of the Municipal Valuer.

8.2. For the purpose of the Act and in terms of this Part, the following categories of properties will be used.

- a)Agricultural;
- b)Business, Commercial;
- c)Communal Land Properties;
- d)Industrial Properties;
- e)Municipal Owned Property;
- f)Places of Public Worship;
- g) Public Benefit Organization;
- h) Public Service Infrastructure;
- i)Residential Property;
- j) State Owned Properties;
  
- k) Public Service Purposes
- l)Illegal use
- m) Vacant Land
- n) Tourism and Hospitality – Rural
- o) Tourism and Hospitality - Urban

8.2The Municipality will not levy different rates on residential properties except as provided for in sections 11, 21 and 89 of the Act

8.3The municipality will comply with the prescribed ratio in ratings between residential, agriculture and Public Service Infrastructure determined in terms of section 11 of the Act.

8.4The municipality will not levy rates on properties which are stated as impermissible rates in section 17 of the Act

8.5Differential rating amongst the categories of properties will be by way of determining different cent amounts in the Rand for each category of property

The different categories of property determined by the Council in terms of section 4(1)(a) may include, but are not limited, to those set out below:

- a)Agricultural;
- b)Business, Commercial;
- c)Communal Land Properties;
- d)Industrial Properties;
- e)Municipal Owned Property;

- f) Places of Public Worship;
- g) Public Benefit Organization;
- h) Public Service Infrastructure;
- i) Residential Property;
- j) State Owned Properties;
- k) Public Service Purposes
- l) Illegal use
- m) Vacant Land
- n) Tourism and Hospitality – Rural
- o) Tourism and Hospitality – Urban

#### PART 9 : **MULTIPLE PURPOSE OF PROPERTY**

In terms of Property rates act Sec 9 subs 2. The property used for multiple purpose must be determined by-

- a) Apportioning the market value of the property, in a manner as may be prescribed, to the different purpose for which the property is used and
- b) Applying the rates applicable to the categories determined by the municipality for properties used for those purpose to the different market value apportionment

#### PART 10 **RELIEF MEASURES**

9.1 The municipality has considered:

9.1.1 The need to grant relief to certain property owners (including the poor) with a view to providing for appropriate measures to alleviate the impact of the rates burden on them;

9.1.2 as well as certain categories of properties and certain usages of properties.

9.1.3 Relief will only be granted to those who meet the requirements as set out below.

9.2 The municipality will not grant relief in respect of the payment of rates other than by way of

An exemption from the payment of rates

A rebate on rates payable

Or a reduction in the value of the property for rating purposes

9.3 The municipality will not grant relief to the owners of properties on an individual basis.

## PART 11: RELIEF MEASURES FOR CATEGORIES OF OWNERS

10.1 The municipality has identified the following ownership categories for purposes of considering the granting of relief in terms of section 15 of the Act.

10.1.1. Indigent owners; Criteria to be applied:

- Be the sole or joint owner of the property,
- Be living permanently on the property,
- Not own any other property,
- Qualifies as indigent in terms of the municipality's indigent support policy

10.1.2 Pensioners, retiree and disabled person, Criteria applicable:

10.1.2.1 In order to qualify for the rebates a pensioner, a retiree, and a disabled person must

10.1.2.1.1 is the owner of the property either solely or jointly;

10.1.2.1.2 Be living permanently on the property;

10.1.2.1.3 Provide proof of identity in the form of an identity document

10.1.2.1.4 Substantiate items 10.1.2.1.1 and 10.1.2.1.2 above by way of a sworn affidavit before a Commissioner of Oaths;

10.1.2.1.5 Medical certificate as required by the municipality if the application relies on a medical basis for the rebate;

As outlined in the definition and in 10.1.2.1

10.1.3 Owners of property situated within an area affected by:

10.1.3.1 A disaster within the meaning of the Disaster Management Act 57 of 2002;

10.1.3.2 Any other serious adverse social or economic conditions decided by the Council in considering an application for relief;

10.1.4 Owners of residential properties with a market value below R60 000 as determined by the Municipality;

10.1.5 Public benefit organizations who conduct the following specified public benefit activities:

10.1.5.1 Welfare and humanitarian; or

10.1.5.2 Health care or

10.1.5.3 Education; and

10.1.5.4 Are registered in terms of the Income Tax Act for tax reductions because of the activities referred to in (10.1.6);

10.1.6 Non-profit organizations registered in terms of the non-profit organizations Act whose activities are that of a public and charitable nature as may be specified by the Municipality from time to time;

10.1.7 Minor children who are the head of a household as defined in child headed household;

## PART 12: **EXEMPTIONS**

### EXEMPTIONS GRANTED TO CATEGORIES OF PROPERTIES

11.1. The Municipality has exempted in total, from payment of rates the following categories of properties:

1. Property registered in the name of and used primarily as a place of public worship by a religious community including an official residence also registered in the name of that community, which is occupied by an office bearer who officiates at services at that place of public worship
2. All local municipal owned properties
3. Residential Properties: Residential properties with a value of **R60 000 OR LESS** (inclusive of **R15 000** of impermissible) on the official valuation roll will be exempt from rates with no conditions. This rebate will also be extended to all properties falling within any residential category
4. Parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act which are not developed or use for commercial, as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such a reserve, park or botanical garden within the meaning of the National Environmental Management Biodiversity Act 2004, which are not developed or used for commercial, agricultural or residential purposes, excluding buildings ancillary to the operation of the protected area.
5. The exclusion from rates of a property referred to in subsection 11.1.3 lapses if the declaration of that property as a special nature reserve, national park, or national botanical garden or as part of such a reserve, park or botanical garden is withdrawn in terms of the applicable Act mentioned in that sub-section.
6. Public Service Infrastructure: As per the amendment to the act all properties categorized under PSI will now be exempt from property rates

## PART 13 **CONSTITUTIONALLY IMPERMISSIBLE RATES**

12.1 The Act provides that in terms of Section 229(2)(a) of the Constitution a Municipality may not exercise its power to levy rates on property in a way that would materially an unreasonably prejudice -

12.1.1 National economic policies;

12.1.2 Economic activities across its boundaries; or

12.1.3 The national mobility of goods, services, capital or labour.

**PART 14 FURTHER EXEMPTIONS THROUGH IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT**

13.1 It is recorded that the Municipality may not, in terms of section 17 of the Act levy a rate on-

13.1.1 Mineral rights within the meaning of paragraph 19.1.2 of the definition of "property" in section 1;

13.1.2 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;

**PART 15 EXEMPTIONS GRANTED TO CATEGORIES OF OWNERS**

14.1. The Municipality has resolved to exempt from the payment of rates the following categories of owners of properties:

14.1.1 Properties owned by public benefit organizations which are used for any specific public benefit activities listed in Part 1 of the 9<sup>th</sup> Schedule to the Income Tax Act;

14.1.2 Properties owned by owners registered as Non Profit Organizations.

14.2. All applications for relief shall be granted on an annual basis

14.3. In order to qualify for relief all applicants shall comply with the following requirements:

14.3.1 Written applications for relief must be lodged in the prescribed format with the Municipal Manager (in March of the preceding financial year) dates determined by the Council;

14.3.2 In the case of public benefit organizations upon proof of:

14.3.2.1 Registration in terms of the requirements of the Income Tax Act;

14.3.2.2 an affidavit signed by the head of the public benefit organization or non profit organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the said public benefit organization;

14.4. In the case of properties owned by non profit organizations upon proof of submission of:

14.4.1 An affidavit signed by the head of the non profit organization before a Commissioner of Oaths that the property is used for the aims and objective of the said non profit organization;

14.4.2 That no private pecuniary profit is made from the property;

14.4.3 That no rent is received by the applicant for any use of the property by other persons.

14.5. The Municipality reserves the right to specify such other requirements as the municipality

deems necessary from time to time.

**PART 16 REDUCTIONS IN THE VALUE OF A PROPERTY**

16.1 It is recorded that the municipality is precluded in terms of section 17(1)(h) of the Act from levying rates on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a residential category. :

16.1.1 for residential properties only.

16.2 The municipality may decide to further reduce the value upon which rates will be levied in respect of residential properties

6.3A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted on an ad hoc basis where the value of a property is affected by

16.3.1 a disaster within the meaning of the Disaster Management Act (Act 67 of 2002);or

16.3.2 the reduction will be in relation to a certificate issued for this purpose by the municipal valuer

16.4 any other serious adverse social or economic conditions considered by the Council as meritorious.

## **PART 17 PAYMENTS OF RATES**

16.1. Ratepayers who wish to pay rates annually in advance with one instalment on or before the 30th of August of each year must apply to the Municipality in writing before 30th July for the year preceding payment

16.2. If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.

16.3. Arrears rates may be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.

16.4. 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 effective date of general valuation roll or supplementary roll, whichever is relevant.

## **PART 18 REBATES**

### **REBATES FOR PROPERTY, USE AND OWNERSHIP CATEGORIES**

17.1 The municipality can consider rebates to the stated categories

The following categories of property and categories of owners have been identified for rates relief on application to the Municipality which must be done three months before the start of the financial year or before December of each year to be considered during mid year review:

11.1. Categories of property:

Business, Commercial and Industrial: Such properties supporting Local Economic development will be considered for a 15% rebated on property rates

Vacant land: Such properties which contribute negatively to the municipality for failure to develop the vacant land by owners rebate of 10% on property rates will be consider to give small relief from those owners

Indigent Owners: On completion and approval of an Indigent Application form as per the requirement in the Indigent Policy of eDumbe Local Municipality a rebate of 100% will be allowed for a property registered in the name of the registered Indigent owner with a combined household income of not more than **R 2,700.00**

## PART 19 RECOVERY OF RATES

18.1 The following people shall be liable for the payment of rates levied by the Municipality:

18.1.1 owner of a property;

18.1.2 joint owners of a property, who shall be liable jointly and severally;

18.1.3 the owner of a sectional title unit; and

18.1.4 in relation to agricultural properties:

18.1.4.1 any one joint owner of the agricultural property for all the rates levied on the agricultural property; or

18.1.4.2 each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the Municipality may choose in relation to agricultural properties.

18.2 In terms of Section 26 of the Act the Municipality will recover rates:

18.2.1 on a monthly basis and must be paid on or before 15<sup>th</sup> day of the following month; or

18.2.2 annually, as may be agreed with the owner of the property, on or before the 31<sup>st</sup> day of January in the financial year

18.3 The Municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.

18.4 A Municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of Section 28 of the Act.

18.5 A Municipality may recover rates due, either whole or in part, from the agent of the owner if this is more convenient for the Municipality and in terms of Section 29 of the Act.

## **PART 20. CONSOLIDATION AND APPORTIONMENT OF PAYMENTS**

19.1 Separate accounts of persons liable for payment to the municipality for either rates or services may be consolidated in one account and any appropriation of payments will be done in accordance with the municipality's credit control policy.

19.2 Accounts to be furnished

19.2.1 The municipality will furnish each person liable for the payment of rates with a written account which will specify:

19.2.1.1 the amount due for rates payable,

19.2.1.2 the date on or before which the amount is payable

19.2.1.3 how the amount was calculated

19.2.1.4 the market value of the property,

19.2.1.5 the rate-bondage applicable

19.2.1.6 any form of relief, phasing-in of rates if applicable

19.3. 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

19.4 In the case of joint ownership the municipality shall consistently, in order to minimize 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.

19.5 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

use category 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.

19.6 In addition where the error occurred because of false information provided by the property owner or as a result of a contravention of the use category 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

19.7 A property owner who submitted an appeal against the value of his/her property to the Valuation Appeal Board, remains responsible for the payment of the rates as calculated on the existing valuation roll until such time as the value might be adjusted. The owner will then be expected to either pay the additional rates if the property value is increased or will be refunded by the municipality if the value is decreased. The payment or refund will be payable as from the commencement of the financial year.

## **PART 21. DEFERMENT OF RATES**

20.1 The Municipality will on application defer the payment of rates in terms of section 26(3) of the Act under the following special circumstances:

20.1.1 If a ratepayer is temporarily out of employment

20.1.2 An applicant for deferment of rates shall substantiate his/her application with an affidavit

confirming his/her employment status.

20.2 The municipality will recoup deferred rates.

20.3 Application must be made annually in writing on the prescribed form:

20.3.1 not later than the final date for payment of such rates provided that the council may in special circumstances grant a deferment of the payment of rates after the final date for such payment notwithstanding that such application was made after such final date for payment;

20.4 Deferment will be considered provided that the total amount of all rates so deferred together with accumulated interest accumulated thereon shall not at any time exceed 0% of the value of the property concerned as shown in the valuation roll. 23

20.5 The final date for payment of the rates on the property concerned shall not be affected by reason of any application for deferment in terms of sub-clause 17.2 above, provided that if the council allows such application, the portion of the rates in respect of which payment is deferred shall be refunded to the applicant.

20.6 The accumulated amount of the deferred rates shall bear interest at a rate determined

from time to time by the council and the council may also approve the waiver of such interest.

20.7 Only the current year's rates can be considered for deferment and then only if the

Applicant's rates are not in arrears.

20.8 Any deferment granted in terms of this policy shall terminate immediately: -

- 20.8.1 upon the death of the registered owner; provided that the council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
- 20.8.2 upon the expropriation, sale or other disposal of the property concerned;
- 20.8.3 upon the owner ceasing to reside permanently on the property concerned;
- 20.8.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment; and
- 20.8.5 on expiry of the period of deferment.

## **PART 22. COMMUNITY PARTICIPATION**

- 21.1 This Municipality will comply with its community participation and consultation obligations in terms of Chapter 4 of the Municipal Systems Act and Sections 4 and 5 of the Act before the Rates Policy or any review thereof is finally adopted. In terms of chapter 4 of the Municipal systems Act, 2000 (Act No. 32 of 2000) the Municipality is committed to:
  - 21.1.1 building capacity of the local community to enable it to participate in the affairs of the Municipality; and
  - 21.1.2 to foster community participation for which the municipality will allocate funds in its budget for such processes.
- 21.2 The Participation by the local community in municipal affairs will take place through the political structures; the mechanisms, processes and procedures for participation in municipal governance and any other appropriate mechanisms processes and procedures established by the municipality and generally to apply the provisions for participation as required by this Act .
- 21.3 The municipality will provide for:
  - 21.3.1 the receipt processing and consideration of petitions, objections and comments lodged by the members of the local community;
  - 21.3.2 public meetings and hearings by the municipal council and other political structures (e.g. ward committees) and political office bearers of the municipality;
  - 21.3.3 consultative sessions with locally recognized community organizations and where appropriate, traditional leadership
- 21.4 Communication with the public relating to the Rates Policy will be in terms of section 4(2) of the act by notice in:
  - 21.4.1 local newspapers circulating in its area and determined by this council as a newspaper of record; and/or
  - 21.4.2 official notice boards and other public places accessible to the public including the library and the municipal offices;
  - 21.4.3 on the municipal website (*if applicable*);

and inviting the local community to submit comments and representations within the time specified in the notice.

## ENFORCEMENT/IMPLEMENTATION

22.1. This policy has been approved by the Municipality in terms of resolution dated and comes into effect from \_\_\_\_\_2024/25.