



“WILDLIFE HAVEN”

**MARULENG DRAFT  
RATES POLICY  
2016/2017**

**TABLE OF CONTENT**

<b>NO.</b>	<b>CONTENT</b>	<b>PAGE</b>
1	HISTORICAL BACKGROUND	2
2	AN OVERVIEW ON PROPERTY TAXES IN MARULENG MUNICIPALITY	2-3
3	INTERPRETATION	4-5
4	LEGISLATIVE CONTEXT	6
5	POLICY PRINCIPLE ON IMPOSING RATES AND TAXES	7
6	PROPERTY USED FOR MULTIPLE PURPOSES	7
7	EXEMPTIONS	7
8	REDUCTIONS	6
9	REBATE	8-9
10	FREQUENCY OF PAYMENTS OF RATES	9
11	RATES INCREASES	10
12	CATEGORY OF PROPERTY OWNERS	10
13	NOTIFICATIONS OF RATES	11
14	REVIEW OF POLICY	12
15	DECLARATION	12

## **1. HISTORICAL BACKGROUND**

- Local Government: Municipal Property Rates Act 6 of 2004 repealed the Acts and Ordinances or previous legislations which it were handled differently in the various provinces in RSA.
- Municipal value had little or no reasonable to the property true market value
- During previous legislations:
  - The valuation of land (site) and improvement was reflected separately on the valuation roll
  - This requirements was creating a unique problem for the valuer's that their valuation was not completed after determining the market value of a particular property
- The new act introduces a simpler and more uniform system for levying of rates on immovable property by all municipalities country wide

## **2. AN OVERVIEW ON PROPERTY TAXES IN MARULENG MUNICIPALITY**

### **2.1 Introduction**

- General Valuation Roll is a legal document that consists of property information of all rateable properties within the boundaries of a municipality.
- It is implemented through the Rates Policy which is annually reviewed and adopted with the budget.
- It is developed according to legislation at least once in every 5 years.
- The accuracy of property valuations is of concern worldwide
- Across South Africa, municipal valuations are currently under way for purpose of levying assessment rates with the provisions of *Local Government: Municipal Property Rates Act No. 6 of 2004*.

### **2.2 General Valuation Roll and Property Rates**

- It is essential that property owners check the valuation of their properties and object if they feel that the valuation is not market related.
- If they don't object the valuation will be accepted as realistic, and objections must be submitted on the prescribed forms within a given period.
- Property will be levied on the market value.
- Properties will be rated according to specific categories of properties based on the existing Land use.
- Property owners who own more than one property, before requesting Clearance certificate, Zoning certificate, Valuation certificate and before approval of any Building Plans, Town Planning Application the property owners must have all their accounts with the municipality up-to-date.

## DARFT RATES POLICY – 2016/2017

- There will be no automatically additional rebates, organisation or individual who qualify for rebates will have to make a written request, for the rebates to be applied to their property. A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not yet been received, the onus shall be on the ratepayer concerned to establish the amount due for the rates and to pay that amount to the municipality
- Municipality need a reliable source of income in order to provide basic services and perform their functions
- Revenue from property rates is used to fund services that benefit the community as a whole.

### **2.3 The objective of this policy is to ensure that :**

- All ratepayers within a specific category are treated equal and reasonable;
- Rates are levied in accordance with the market value of the property;
- The rate will be based on the value of all rateable property and the amount required by the municipality to balance the operational budget, taking into account the surplus obtained from the trading- and economical services and the amounts required to cover the costs of exemptions, reductions and rebates that the municipality approve from time to time;
- Income from rates will be used to finance community and subsidized services and not trading or economical services;
- To optimally safeguard the income base of the municipality through exemptions, reductions and rebates that is reasonable and affordable.

### **2.4 Additional Rebates**

In order to address this and also in line with section 15 of the Act, the following are recommended:

- Additional rebates should not be granted to every property category and there will be no automatic rebates.
- Property owners should apply for additional rebates if they cannot afford to pay for rates
- Property owners should update their accounts before they can apply and qualify for additional rebates
- When applying for additional rebates the following should be produced.
  - ID book
  - Proof of income/ no income
  - Supporting documents

Property land use categories will be in line with the Maruleng Land Use Management Scheme 2008

The rebates and classification of property for Draft Rates Policy 2015/2016 are tabled on *Pg 8-9*.

### **2.5 Property Valuations**

- In terms of Section 50 of the Municipal Property Rates Act 6 of 2004, the property owner may object to any information displayed on valuation roll, as long as the owner is able to back up his objection. It is up to the objector, to prove that the market value assessment is not a fair amount.
- Comparing the valuation to neighbouring valuation does not imply that the valuation is incorrect.
- Unhappiness with the amount of rates payables does not constitute an objection

- **The municipality will not consider the following types of objection:**
  - Incomplete objection forms
  - Multiple objections per objection form
  - Objections completed in bad faith
  - Frivolous objections to unrelated issues
  - Objections not submitted on the official objection form
  - Late objections
  - Objections to properties not appearing on the Supplementary Valuation Roll
  
- Objections must be lodged on the prescribed objection forms during the prescribed period.
- No late objections will be accepted.
- Property owners need to pay rates on the previous valuation until the objection is resolved, even though your rates bill will reflect the new rates amount.
  
  
- The valuation office will ensure that until your objection has been resolved, you do not receive letter of demand for the unpaid amount. Once your objection has been resolved, any amount owing will be debited or credited to your account.

## 1. INTERPRETATION

1. **“the Act” means the Local Government: Municipal Property Rates Act 6 of 2004** to regulate the power of a municipality to impose rates on property to exclude properties from rating in the normal interest, to make provision for municipality to implement a transparent and fair system of exemptions.
  
2. **“bona fide agricultural/ farming purposes”** means farming/agricultural land or property:
  - (i) zoned as agricultural/farming and used predominantly for bona fide farming purposes excluding property used for purposes of eco-tourism or a game farm; and
  - (ii) the owner of which is taxed by the South African Revenue Services as a farmer;
  
3. **“Certificate of Occupancy”** means the certificate of occupancy issued by the Council in terms of section 14 of the National Building Regulations and Building Standards Act 103 of 1977;
  
4. **“Consent Use”** means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Council;
  
5. **“Council”** means –
  - (a) the Maruleng Municipality established by Provincial Notice No. 6766 of 2000, as amended, exercising its legislative and executive authority through its municipal Council; or
  
6. **“current monthly rates”** means the rate levied on a property in the month immediately preceding the month in which application for a rebate is made, if such application is required in terms of this Policy, and in all other events, the month preceding the month in

which the rebate will come into operation;

7. **“Financial Year”** means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;
8. **“Indigents”** means persons registered as indigent persons in terms of the Credit Control and Debt Collection By-laws of the Council;
9. **“Levying Rate” cent amount in a rand value**
10. **“Market Value”** the likely price which a willing and informed buyer will pay to a willing and informed seller in a normal open market value on the date of valuation
11. **“MFMA”** means the Local Government: Municipal Finance Management Act 56 of 2003;
12. **“Municipal Property”** means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;
13. **“Privately Owned Property”** means property not owned or vested in the state or an organ of state.
14. **“Protected Area”** means an area that is or has to be listed in register referred to in section 10 of the Protected Area Act
15. **“Public Service Infrastructure”** means public service infrastructure as defined in the Municipal Property Rates Act 6 of 2004;
16. **“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
17. **“Rateable Property”** means property on which the Council may in terms of sections 2 and 7 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;
18. **“Ratepayer”** means any owner of rateable property as well as any owner of rateable property held under sectional title, situated within the area of jurisdiction of the Council;”
19. **“Rates Policy”** means a municipal rates policy which is compiled by municipality in terms of Municipal Property Rates Act No 6 of 2004
20. **“Regulation”** means a regulation promulgated in terms of the Local Government: Municipal Property Rates Act 6, of 2004;
21. **“School”** means a school as defined in the South African Schools Act 84 of 1996;
22. **“Sectional Titles Act”** means the Sectional Titles Act 95 of 1986;
23. **“Service Provider”** means a service provider contemplated in paragraph (d) of the definition of Council;

24. **“State”** in so far as it relates to property owned and used by the State, means property owned and used by the National Government and Gauteng Provincial Government for the provision of community type services, including but not limited to police stations, hospitals and crematoria. All other property owned and used by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes and police flats etc;
25. **“State social security grant”** means any social assistance granted in terms of the Social Assistance Act 59 of 1992;
26. **“Structures Act”** means the Local Government: Municipal Structures Act 117 of 1998;
27. **“Systems Act”** means the Local Government: Municipal Systems Act 32 of 2000;
28. **“technical and other colleges”** means a public college and a private college as contemplated in the Further Education and Training Colleges Act 16 of 2006;
29. **“the/this Policy”** means the Property Rates Policy adopted by the Council in terms of Section 3(1) of the Act;
30. **“Threshold”** means the amount, determined from time to time by the Council during its annual budget process referred to in section 12(2) of the Act, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only;
31. **“Town Planning Scheme”** means –  
a town planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance 25 of 1965 and the Town Planning and Townships Ordinance 15 of 1986; and  
any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;
32. **“Zoning”** means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in an applicable town planning scheme and “zoned” has a corresponding meaning. Where a property carries multiple zoning rights, the categorisation of such property will be by apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property is used, an applying the rates applicable to the categories determined by the Municipality for properties used for those purposes to the different market value apportionments

## 2. LEGISLATIVE CONTEXT

2.1 In terms of Local Government: Municipal Property Rates Act 6 of 2004 a municipality in accordance with:

- (a) Section 2(1) a metropolitan or local municipality may levy rate on property in its area
- (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

- 2.2 In terms of Section 229 of Constitution of RSA, 1996 (Act No. 108 of 1996), a municipality may impose rates on property.
- 2.3 In terms of Section 4(1) (c) of the Local Government: Municipal System Act 32 of 2000, the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 2.4 In terms of Section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act 56 of 2003 the municipal manager must ensure that the municipality has and implemented a rate policy.
- 2.5 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act 6 of 2004: This specifically provides that the Council of a municipality must adopt a Rates policy consistent with this Act on the levying or rates on rateable property in the municipality

### **3. POLICY PRINCIPLE ON IMPOSING RATES AND TAXES**

- 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.
- 3.2 Rateable property shall include any rights registered against such property, with the exception of a mortgage bond.

3.3 The rates policy or imposing of rates for the municipality is based on the following principles:

- (a) **Affordability:** The ability of a person to pay rates will be taken into account by the municipality. In dealing with the indigent or poor rate payers the municipality will provide relief measures through exemptions, reductions or rebate
- (b) **Cost efficiency:** Rates will be based on the value of all rateable property and the amount required by the municipality to balance the operation budget
- (c) **Equity:** The municipality will treat all ratepayers equally.
- (d) **Sustainability:** Rating of property will be implemented in a way that:
  - (i) it supports sustainable local government by providing a stable revenue source within the discretion control of the municipality.
  - (ii) support local social economic development.

### **4. PROPERTIES USED FOR MULTIPLE PURPOSES**

- 4.1 Rates on properties used for multiple purposes will be levied on properties used for;
  - (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated; and
  - (b) a purpose corresponding with the dominant use of the property
- 4.2 Properties used for multiple purposes, other than those referred to under residential properties above, shall be rated on the value assigned to each components, and shall receive the rebate applicable to such component.
- 4.3 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.



- 4.4 Property that cannot be assigned to a single category due to the multiple use of such property in which event the property will be valued based on the apportionment of uses in accordance with the applicable category of the property in terms of this policy.

## **5. EXEMPTIONS**

5.1 The following properties are exempted from rates:

- (a) 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 name of private persons and operated not to gain.
- (c) Property referred to in Section 17 of Municipal Property Rates Act No. 6 of 2004
- (d) Public Benefit Organisations: may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South Africa Revenue Services (SARS) as contemplated in Part 1 of the 9<sup>th</sup> Schedule of the Income Tax Act No. 52 of 1962:
  - (i) Health care institutions
  - (ii) Welfare institutions
  - (iii) Educational institutions
  - (iv) Independent schools
  - (v) Charities institutions
  - (vi) Sporting bodies
  - (vii) Cultural institutions
  - (viii) Museums, libraries, art galleries
  - (ix) Youth development organisations
  - (x) Animal welfare

## **6. REDUCTIONS**

6.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of the property is affected by:

- (a) A disaster in terms of the Disaster Management Act No. 57 of 2002
- (b) Any other serious adverse social or economic conditions

6.2 All categories of owners can apply for a reduction in the rate payable as described above.

6.3 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

## **7. CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTY FOR PURPOSES OF EXCLUSIONS, EXEMPTIONS, REDUCTIONS, REBATES AND DIFFERENTIAL RATING**

### **7.1 Categories**

- The categories of property are determined according to actual *use* of the property irrespective of the permitted use in terms of the Town Planning scheme.
- The Council may determine additional categories of rateable property, provided that the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of subsection of the act.

### **7.2 Rebates**

- Rebates for 2016/2017 are based on existing Land Use
- Public Schools are granted 15% rebate (upon submission of proof that they are quintile 1, 2 or 3 (no fees school))
- Properties falling under Use Zone 14 (Agric) and being a *nature/ game reserve/ lodge* (by falling under a legitimate nature reserve body) are granted 20% rebate (upon submission of proof by the legitimate nature body that said properties falls within its nature reserve).
- Areas declared as Protected Areas but used for commercial are granted 20% rebate and used for residential purposes are granted 25% rebate
- Pensioners will be granted an additional 20 % rebates.
- Residential, Sectional Titles and Rural Residential properties are granted a further 15% rebates ( upon submission that the owner cannot afford to pay rates and taxes)

### **7.3 Exemptions**

- First R15 000 Exempted in terms of Section 17 (h) of the Act, for residential purpose only

### **7.4 Qualifying criteria for additional rebates:**

#### **7.4.1 Pensioners / Indigents**

- Be a natural person of at least 60 years of age, or be in receipt of a disability pension from the Department of Social Development;

## DARFT RATES POLICY – 2016/2017

- Be in receipt of a total monthly income from all sources (including income of spouses of owners) not exceeding R6 000.00;
- Occupy the property as his/her normal residence; (provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement);
- Not be the owner of more than one property.
- Qualifying pensioners will be granted an additional 20% rebates

### **7.4.2 Schools and Agricultural Properties**

- Public schools are granted a further 15% rebates upon submission of proof that they are quintile 1 ,2 or 3 (no fees school)
- Area declared as Protected Areas but used for commercial are granted 20% rebate and used for residential purposes are granted 25% rebate.
- Properties falling under Use Zone 14 (Agric) and being a nature / game reserve / lodge (by falling under a legitimate nature reserve area) are granted 20% rebate.

*NOTE: THE APPLICATION MUST BE SIGNED BY A COMMISSIONER OF OATHS AND SUBMITTED ON OR BEFORE 30 APRIL 2017. ONLY A SIGNED FORM TOGETHER WITH ALL THE RELEVANT DOCUMENTATION (AS MENTIONED BELOW) WILL BE EXPECTED FOR FURTHER PROCESSING. FAILURE TO PROVIDE THE REQUIRED DOCUMENTATION **WILL RESULT IN THE APPLICATION NOT BEING CONSIDERED.***

**All applications for rebates etc. will require the applicant's municipal account to be up to date or the conclusion of a suitable arrangement in this regard.**

**Your application must include copies of the following items:**

1. **PROOF OF AGE:** Preferably your identity document, failing which, your birth certificate or any other proof of age; and
2. **PROOF OF INCOME:** All pay advice, salary/wage advice, savings or other deposit record and/or investment records.

5.2 The Council has determined the following categories of property for purposes of rating:

#	RATING CATEGORY	DESCRIPTIONS OF PROPERTY IN TERMS OF LAND USES	REBATES	RATIOS	DESCRIPTIONS OF PROPERTY IN TERMS OF LAND USES	REBATES	RATIOS
1	MLT – MULTIPLE USE	Township/Land development areas with Residential (in proclaimed areas)	15%	0.0114		15%	0.0114
		Farms (Agricultural, residential, commercial etc)	15%	0.0114		15%	0.0114
2	RES - RESIDENTIAL	Single family	15%	0.0114	ST - Flats & Business	15%	0.0114
		Two family	15%	0.0114	ST - Maisonettes/Rowhouses	15%	0.0114
		Rowhouse	15%	0.0114	SB - Dwellings <<SHARE BLOCK>>	15%	0.0114
		Residential & Business (mostly residential - 51% and more residential)	15%	0.0114	SB - Flats	15%	0.0114
		Detached structures only	15%	0.0114	SB - Flats & Business (mostly residential - 51% and more residential)	15%	0.0114
		Multiple dwelling Formal / Informal	15%	0.0114	SB - Maisonettes/Rowhouses	15%	0.0114
		Block of flats	15%	0.0114	ST - Residential Garages	15%	0.0114
		Flats and Business (mostly Flats - 51% and more residential)	15%	0.0114	ST - Residential Carports	15%	0.0114
		Retirement Village	15%	0.0114	ST - Residential Granny Flat	15%	0.0114
		Hostel/Barracks	15%	0.0114	ST - Residential Storage	15%	0.0114
		Old age home/Nursing home	15%	0.0114	Farms: Residential > 1 Ha	15%	0.0114
		Terraced/Multi dwelling (3+ units)	15%	0.0114	Smallholdings: Residential ≤1 Ha	15%	0.0114
		Three family residential	15%	0.0114	Unregistered Formal Townships	15%	0.0114
		Doctors/Nurses Quarter	15%	0.0114	Informal Township	15%	0.0114
		ST - Parent Property	15%	0.0114			
		ST - Dwellings	15%	0.0114			
		ST – Flats	15%	0.0114			
RURAL AND INFORMAL SETTLEMENT(Villages)	15%	0.0114					
3	IND - INDUSTRIAL	Cold storage	0%	0.0134	Bus/Truck depot	0%	0.0134
		Container storage	0%	0.0134	Warehouse	0%	0.0134
		Heavy industrial	0%	0.0134	Workshop	0%	0.0134
		Industrial park	0%	0.0134	Oil refinery	0%	0.0134



DARFT RATES POLICY – 2016/2017

		Light industrial	0%	0.0134	Special Manufacturing	0%	0.0134
		Storage	0%	0.0134	ST - Industrial	0%	0.0134
		Research facility	0%	0.0134	SB - Industrial	0%	0.0134
		Storage tank facility	0%	0.0134			
		Pack house	0%	0.0134			
4	BUS – BUSINESS & COMMERCIAL	Bank	0%	0.0134	· BUSINESS AND COMMERCIAL PROPERTIES(Lodges ,B&B, Business Retail, Filling Service Station, Retail Warehouse, Office)	0%	0.0134
		Bar/Lounge	0%	0.0134	· BERLIN FARM (Non Agricultural Use)	0%	0.0134
		Car sales/Showroom	0%	0.0134	Storage - Business	0%	0.0134
		Car wash	0%	0.0134	Research facility - Business	0%	0.0134
		Club (Sports club)	0%	0.0134	Warehouse - Business	0%	0.0134
		Commercial & Residential (mostly commercial)	0%	0.0134	Workshop - Business	0%	0.0134
		Convenience store	0%	0.0134	Derelict commercial	0%	0.0134
		Creche	0%	0.0134	Boarding/Lodging house	0%	0.0134
		Department/Discount store	0%	0.0134	Guest house/B&B	0%	0.0134
		Fast food	0%	0.0134	ST - Offices and/or Retail	0%	0.0134
		Film studio	0%	0.0134	SB - Offices and/or Retail	0%	0.0134
		Funeral parlour/Undertaker	0%	0.0134	ST - Non Residential Garages	0%	0.0134
		Health club	0%	0.0134	ST - Non Residential Carports	0%	0.0134
		Hotel	0%	0.0134	ST - Non Residential Granny Flat	0%	0.0134
		Medical centre (Office)	0%	0.0134	ST - Non Residential Storage	0%	0.0134
		Medical clinic	0%	0.0134	ST - Hotel	0%	0.0134
		Office	0%	0.0134	College/University/Technikon (Tertiary)	0%	0.0134
		Office - dwelling conversion	0%	0.0134	Exhibition/Conference centre	0%	0.0134



DARFT RATES POLICY – 2016/2017

		Office and retail	0%	0.0134	Private Hospital	0%	0.0134
		Parking garage	0%	0.0134	Private Medical Clinic	0%	0.0134
		Petrol station/Convenience store	0%	0.0134	Private School	0%	0.0134
		Restaurant	0%	0.0134	Worship centre	0%	0.0134
		Retail - dwelling conversion	0%	0.0134	Transmission Element - Substation	0%	0.0134
		Retail shop	0%	0.0134	Water Reservoirs/Treatment Works/Pump House	0%	0.0134
		Shopping center-neighbourhood	0%	0.0134	Depot	0%	0.0134
		Shopping centre-regional	0%	0.0134	Farms: Comm/Ind/Bus (brick fact, game, eco tourism) > 1 Ha	0%	0.0134
		Shopping mall	0%	0.0134	Smallholdings: Comm/Ind/Bus ≤ 1 Ha	0%	0.0134
		Supermarket	0%	0.0134	Small Holdings Mixed	0%	0.0134
		Theatre/Cinema	0%	0.0134	Amusement park	0%	0.0134
		Casino	0%	0.0134	Airport	0%	0.0134
		Abattoir	0%	0.0134	Golf course	0%	0.0134
		Drive-in Cinema	0%	0.0134	Sports/Country club	0%	0.0134
		Nursery	0%	0.0134	Stadium/Sports facility	0%	0.0134
		Open Parking	0%	0.0134	Land Fill sites	0%	0.0134
		Cold Storage - Business	0%	0.0134	Caravan Park	0%	0.0134
		Industrial Park - Business	0%	0.0134	Crematorium	0%	0.0134
		Light industrial - Business	0%	0.0134	Mortuary	0%	0.0134
		Welfare and Humanitarian	0%	0.0134	Commercial Hijacked	0%	0.0134
5	AGR - AGRICULTURAL	NATURE/ GAME RESERVE/ LODGE IN FARMS B&B, Resort( Refer to Point No.3)	20%	0.0134			
		FARM BERLIN (Commercial Use)	0%	0.0134			
		FARMING & AGRICULTURAL COMPONENTS	0%	0.0134			
		AGRICULTURAL HOLDINGS	0%	0.0134			



DARFT RATES POLICY – 2016/2017

		INDUSTRIAL ( Factories, Pack house)	0%	0.0134		
		RESIDENTIAL	20%	0.0114		
		LAND REFORM PROPERTIES	100%			
		STATE FARMS( Villages)	0%	0.0134		
		PROPERTY USED FOR BONA FIDE FARMING	0%	0.0028		
6	VAC - VACANT LAND	Nature reserve	ZONING		Worship land	ZONING
		Private open space	ZONING		Parking	ZONING
		Private road	ZONING		Road Reserve	ZONING
		Public open space	100%		Road	ZONING
		Public park	100%		Informal Settlement	ZONING
		Vacant commercial land	ZONING			
		Undeveloped land	ZONING			
		Township Title/Developers stock (Township Est., Land Development Area, Division of Land)	30%	0.0044		
		Vacant industrial land	ZONING			
		Vacant residential land	ZONING			
7	PSP - PUBLIC SERVICE PURPOSES	Residential	15%	0.0114		
		Public Service Infrastructure (RAL/SANRAL)	30%	0.0028		
		Hospitals, Police Stations, Clinics & Offices	0%	0.0134		
		Schools (refer to Point No. 2)	15%	0.0134		
8	MUN - Municipal Properties	Community Halls	100%		Roads other property	100%
		Bus/Taxi terminal	100%		Road	100%
		Cemetery	100%		Transmission element (substation)	100%
		Sewerage/Water treatment	100%		Water Reserv/Trtmt Wks/Pump Hse	100%
		Municipal Buildings (Offices, Library, Museum, Courts etc)	100%		Municipal Parking	100%



DARFT RATES POLICY – 2016/2017

		Municipal Depot	100%		Medical Facility / Clinic - Municipal	100%	
		Residential Land	100%		Municipal Traffic Control / Ambulance / Fire	100%	
		Other Land	100%				
9	PRO - PROTECTED AREAS	· PROTECTED AREAS (referred to in Section 17 of MPRA)	100%				
		· PROTECTED AREAS Residential (referred to Point No.4)	25%	0.0114			
		· PROTECTED AREAS Commercial (referred to Point No.4)	20%	0.0134			
10	PSP - PUBLIC SERVICE PURPOSES	Public Hospital	0%	0.0134			
		Public Medical Clinic	0%	0.0134			
		Military installation	0%	0.0134			
		Prison	0%	0.0134			
		Public Buildings (Library/Museum, Courts etc)	0%	0.0134			
		Public School	0%	0.0134			
		Police/Fire/Ambulance/Traffic control	0%	0.0134			
11	POS - PUBLIC OPEN SPACE	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	0%	0.0134			
12	PBO - PUBLIC BENEFIT ORGANISATIONS	PROPERTIES OWNED BY PUBLIC BENEFIT ORGANISATIONS AND USED TO FURTHER THE OBJECTIVES OF SUCH ORGANISATIONS	0%	0.0028			
		PROPERTY REGISTERED IN THE NAME OF AND USED PRIMARILY AS A PLACE OF WORSHIP BY A RELIGIOUS COMMUNITY, INCLUDING AN OFFICIAL RESIDENCE - PLACE OF WORSHIP					
13	MIN - MINING AND QUARRIES	MINING	0%	0.0134			





DARFT RATES POLICY – 2016/2017

		QUARRYING	0%	0.0134			
14	PSI - PUBLIC SERVICE INFRASTRUCTURE	Airport element	30%	0.0028	PUBLIC ROADS (SANRAL & RAL)	30%	0.0028
		Harbour element	30%	0.0028	PUBLIC SERVICE INFRASTRUCTURE (RAL & SANRAL)	30%	0.0028
		National Roads Corridor	30%	0.0028	RAILWAY (TRANSNET)	30%	0.0028
		Provincial Roads Corridor	30%	0.0028	PUBLIC SERVICE INFRASTRUCTURE (TRANSNET)	30%	0.0028
		Railway Corridor	30%	0.0028	MUNICIPAL ROADS (Local & District Municipality)	100%	
		Railway other property (transnet)	30%	0.0028	Run Ways and Aprons	30%	0.0028
		Transmission corridor	30%	0.0028	Water reservoirs/treatment works/Pump House	30%	0.0028
		Transmission element (substation)	30%	0.0028	Dam	30%	0.0028
		Water Pipeline corridor	30%	0.0028			
		Electrical Power Stations	30%	0.0028			
		Telecommunication Corridor	30%	0.0028			
		Telecommunication other property	30%	0.0028			
		Gas/Liquid fuel Corridor	30%	0.0028			
15	AER - AERODROME	AERODROME	0%	0.0134			
16	RCL - RURAL COMMUNAL LAND	Communal land	100%				
		Communal land res	15%	0.0114			
		Communal land Business	0%	0.0134			
		State Land Trust	0%	0.0134			

## REBATES

RATING CATEGORY	DESCRIPTIONS OF PROPERTY IN TERMS OF LAND USES	REBATES 2015/2016	RATIOS
MLT—MULTIPLE USE	<ul style="list-style-type: none"> <li>MULTIPLE USE PROPERTIES (in proclaimed areas, Township/ Land Development Areas, Agricultural Holdings) with Residential</li> </ul>	15%	0.0107
RES—RESIDENTIAL	<ul style="list-style-type: none"> <li>RESIDENTIAL PROPERTIES (General Residential &amp; Special Residential)</li> <li>SECTIONAL TITLE SCHEME</li> <li>RESIDENTIAL PROPERTIES (rural residential &amp; security villages and sectional title schemes)</li> <li>RURAL AND INFORMAL SETTLEMENT (Villages)</li> </ul>	15%	0.0107
IND—INDUSTRIAL	<ul style="list-style-type: none"> <li>INDUSTRIAL PROPERTIES (Factories, Packhouse, Service Industry)</li> </ul>	0%	0.0126
BUS—BUSINESS & COMMERCIAL	<ul style="list-style-type: none"> <li>BUSINESS AND COMMERCIAL PROPERTIES (Lodges, B&amp;B, Business Retail, Filling Service Station, Retail Warehouse, Office)</li> <li>BERLIN FARM (Non Agricultural Use)</li> </ul>	0%	0.0126
AGR—AGRICULTURAL	<ul style="list-style-type: none"> <li>NATURE/ GAME RESERVE/ LODGE IN FARMS B&amp;B, Resort (Refer to Point No.3)</li> </ul>	20%	0.0126
	<ul style="list-style-type: none"> <li>BUSINESS AND COMMERCIAL COMPONENT (Business Retail, Filling Service Station, Retail Warehouse, Offices)</li> </ul>	0%	0.0126
	<ul style="list-style-type: none"> <li>FARM BERLIN (Commercial Use)</li> </ul>	0%	0.0126
	<ul style="list-style-type: none"> <li>FARMING &amp; AGRICULTURAL COMPONENTS</li> </ul>	0%	0.0027
	<ul style="list-style-type: none"> <li>AGRICULTURAL HOLDINGS</li> </ul>	0%	0.0027
	<ul style="list-style-type: none"> <li>INDUSTRIAL (Factories, Pack house)</li> </ul>	0%	0.0126
	<ul style="list-style-type: none"> <li>RESIDENTIAL</li> </ul>	15%	0.0107
FARMING LAND	<ul style="list-style-type: none"> <li>LAND REFORM PROPERTIES</li> </ul>	100%	
	<ul style="list-style-type: none"> <li>STATE FARMS (Villages)</li> </ul>	0%	0.0107
VACANT LAND	<ul style="list-style-type: none"> <li>PROPERTY USED FOR BONA FIDE FARMING</li> </ul>	0%	0.0027
PUB/ GOV USE ZONE 4; 5; 11; 12; 18	<ul style="list-style-type: none"> <li>UNDEVELOPED LAND</li> </ul>	Based on zoning 30%	0.0042
	<ul style="list-style-type: none"> <li>DEVELOPERS STOCK (Township Est., Land Development Area, Division of Land)</li> </ul>		
MUN: UNRATEABLE USE ZONE 13	<ul style="list-style-type: none"> <li>RESIDENTIAL</li> </ul>	15%	0.0107
	<ul style="list-style-type: none"> <li>PUBLIC SERVICE INFRASTRUCTURE (RAL &amp; SANRAL)</li> </ul>	30%	0.0027
	<ul style="list-style-type: none"> <li>HOSPITALS, POLICE STATIONS, CLINICS &amp; OFFICES</li> </ul>	0%	0.0126
	<ul style="list-style-type: none"> <li>SCHOOLS (refer to Point No. 2)</li> </ul>	15%	0.0126
	<ul style="list-style-type: none"> <li>OTHER (PARKS/ OPEN SPACE)</li> </ul>	30%	0.0027
PROCT AREAS USE ZONE 19	<ul style="list-style-type: none"> <li>PUBLIC SERVICE INFRASTRUCTURE (TRANSNET)</li> </ul>	30%	0.0027
	<ul style="list-style-type: none"> <li>RESIDENTIAL</li> </ul>	100%	
	<ul style="list-style-type: none"> <li>PUBLIC SERVICE INFRASTRUCTURE (STREET AND ROADS)</li> <li>OTHER (Community Halls; Libraries; Municipal Offices)</li> </ul>		
PRIV BUS USE ZONE 11 & 12	<ul style="list-style-type: none"> <li>PROTECTED AREAS (referred to in Section 17 of MPRA)</li> </ul>	100%	
	<ul style="list-style-type: none"> <li>PROTECTED AREAS Residential (referred to Point No.4)</li> </ul>	35%	0.0107
	<ul style="list-style-type: none"> <li>PROTECTED AREAS Commercial (referred to Point No.4)</li> </ul>	20%	0.0126
PRIV BUS USE ZONE 11 & 12	<ul style="list-style-type: none"> <li>PRIVATELY OWNED SCHOOLS AND HOSPITALS</li> </ul>	0%	0.0126
GOV USE ZONE 2 & 18	<ul style="list-style-type: none"> <li>COMMUNAL LAND</li> </ul>	100%	
	<ul style="list-style-type: none"> <li>COMMUNAL LAND RES</li> </ul>	15%	0.0107
	<ul style="list-style-type: none"> <li>COMMUNAL LAND BUSINESS</li> </ul>	0%	0.0126
	<ul style="list-style-type: none"> <li>STATE TRUST LAND</li> </ul>	0%	0.0126
PRIV/ PUBLIC OPEN SPACE USE ZONE 17	<ul style="list-style-type: none"> <li>PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED AND WHERE NO BUSINESS OR COMMERCIAL ACTIVITIES ARE CONDUCTED IN RESPECT OF SUCH MONUMENTS</li> </ul>	100%	
	<ul style="list-style-type: none"> <li>PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED, BUT WHERE BUSINESS OR COMMERCIAL ACTIVITIES ARE CONDUCTED IN RESPECT OF SUCH MONUMENTS</li> </ul>	0%	0.0126
INSTI USE ZONE 11	<ul style="list-style-type: none"> <li>PROPERTIES OWNED BY PUBLIC BENEFIT ORGANISATIONS AND USED TO FURTHER THE OBJECTIVES OF SUCH ORGANISATIONS</li> </ul>	0%	0.0027
	<ul style="list-style-type: none"> <li>PROPERTY REGISTERED IN THE NAME OF AND USED PRIMARILY AS A PLACE OF WORSHIP BY A RELIGIOUS COMMUNITY, INCLUDING AN OFFICIAL RESIDENCE</li> </ul>	100%	
RAIL TRANS SERV USE ZONE 24	<ul style="list-style-type: none"> <li>RAILWAY (TRANSNET)</li> </ul>	30%	0.0027
	<ul style="list-style-type: none"> <li>PUBLIC SERVICE INFRASTRUCTURE (TRANSNET)</li> </ul>	30%	0.0027
MIN 1 & 2 USE ZONE 21 & 22	<ul style="list-style-type: none"> <li>MINING AND QUARRYING</li> </ul>	0%	0.0126
EXIST PUB ROADS USE ZONE 23	<ul style="list-style-type: none"> <li>PUBLIC ROADS (SANRAL &amp; RAL)</li> </ul>	30%	0.0027
	<ul style="list-style-type: none"> <li>PUBLIC SERVICE INFRASTRUCTURE (RAL &amp; SANRAL)</li> </ul>	30%	0.0027
	<ul style="list-style-type: none"> <li>MUNICIPAL ROADS (Local &amp; District Municipality)</li> </ul>	100%	
AERO USE ZONE 26	<ul style="list-style-type: none"> <li>AERODROME</li> </ul>	0%	0.0126

## **8. FREQUENTLY OF PAYMENTS OF RATES**

- 8.1 Payments for rates shall be made monthly on or before the date specified in each monthly rate account.
- 8.2 A property owner who is responsible for the payment of the property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her accordance with the provisions of the Credit Control, Debt Collection and policy of the municipality.
- 8.3 Rates on arrears shall be recovered from tenants, occupier and agents of the owner in of Section 28 and 29 of the Municipal Property Rates Act No 6 of 2004.
- 8.4 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 may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 8.5 Where the error occurred because of false information provided by the property owner or the use of the property, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.
- 8.6 Rates are calculated as follows:-
- Property rates are calculated on the value of the property.
  - The Property Rates Act requires that this value must be the “Market Value”
  - Rates are calculated by multiplying the market value of immovable property by a Cent amount in a Rand which is determined from the budget.

### **For example**

#### **Residential Property (Res1 Use Zone 2)**

*Property value (R600 000.00) –15% x 0.0114*

*=R 5 814 ÷ 12 Months*

*=R484.50 Monthly*

#### **Farm Property (Agric Use Zone 14)**

*Property value (R1 000 000.00) x Levying rate (R0.0028c)*

*=R 2 800 ÷ 12 Months*

*=R233.00 Monthly*

## **9. RATES INCREASES**

- 9.1 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 increase relates, except when the approved integrated development plan of the municipality provides for a greater increase.
- 9.2 All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

## DARFT RATES POLICY – 2016/2017

- 9.3 The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenue from property rates, less revenue forgone and less any contributions to the provision for bad debts, equal at least 25% of the municipality's aggregate budgeted net revenue for the financial year.
- 9.4 The municipality will ensure that its revenue base and the collectability of its revenues remains sound.

## **10. CATEGORY OF PROPERTY OWNERS**

- 10.1 Residential 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. (Rebates-100% of the rebates based on the rateable value up to R30 000 and 75% of the rates value above R30 000)
- 10.2 Residential property owners who are over 60 years of age (pensioners), who are both the 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 R6 000 per month, or such other amount as the council may from time to time determine. (Rebates – 100% of the rates based on the rateable value up to R30 000, 50% of the rates based on the rateable value above R30 000 but below R100 000, and 40% of the rates based on the rateable value above R100 000).
- 10.3 Owners of properties being developed for approved industrial or commercial usage. (Rebates – 80% of the rates based on the rateable value until the 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).
- 10.4 Land Reform Beneficiaries
- 10.5 Public Benefit Organisation
- 10.6 Business
- 10.7 Owners Temporarily without income
- 10.8 Sporting Bodies
- 10.9 Government
- 10.10 Government Agencies and Parastatals
- 10.11 The council grants the above rebates in recognition of the following factors:
- (a) 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.
  - (b) The need to accommodate indigents and less affluent pensioners.
  - (c) The services provided to the community by public service organizations, schools and hospitals.
  - (d) 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.
  - (e) The need to preserve the cultural heritage of the local community.
  - (f) The need to encourage the expansion of public service infrastructure.

- (g) 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.
- (h) The requirements of the Property Rates Act no. 6 of 2004.

10.12 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.

## **11. NOTIFICATIONS OF RATES**

- 11.1 A municipality will give notice of all rates approved at the annual budget meeting 30 days prior to the date that rates become effective.
- 11.2 The date on which the new rates become operational will be displayed or advertised on the provincial gazette and local newspaper and on the Municipality website.

## **12. REVIEW OF POLICY**

- 12.1 The rates policy will be reviewed on an annual basis as part of the process to prepare the annual budget and to ensure that it complies with the Municipality strategic objectives and legislations.

## **13. DECLARATION**

*This Revised Property Rates Policy 2016/2017 is for Maruleng Municipality.*

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**KHENSANI SITHOLE**  
**ACTING MUNICIPAL MANAGER**

**DATE:** \_\_\_\_\_