



# **MARULENG DRAFT RATES POLICY 2024/2025**

## PREAMBLE

WHEREAS the Constitution of the Republic of South Africa, 1996 entitles municipalities to impose rates on property in their areas, subject to regulation in terms of national legislation;

AND WHEREAS the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities and in general to meet its' obligation in terms of section 152 of the Constitution of the Republic of South Africa, 1996;

AND WHERE AS there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its development responsibilities;

AND WHERE AS income derived from property rate is a critical source of revenue for municipalities to achieve their constitutional objectives, especially in areas that have been neglected in the past due to racially discriminatory, in adequate or inappropriate legislation and regulation;

AND WHEREAS the income derived from property rates is a major source of general municipal revenue and that revenue is not linked to a specific municipal service or the erection of infrastructure related to any municipal service.

AND WHEREAS, it is essential that municipalities exercise their power to impose rates within a statutory framework that not only enhances certainty, uniformity and simplicity across the nation, but also accounts for historical imbalances and the rates burden on the poor;

AND WHEREAS the Constitution of the Republic of South Africa confers on Parliament the power to regulate the exercise by municipalities of their fiscal powers;

Now THEREFORE, the Council of the Maruleng Municipality adopts the **PROPERTY RATES POLICY** as set out in this document.

**TABLE OF CONTENT**

<b>NO.</b>	<b>CONTENT</b>	<b>PAGE</b>
1	LEGISLATIVE CONTEXT	3
2	DEFINITIONS	4-9
3	AN OVERVIEW ON PROPERTY TAXES IN MARULENG MUNICIPALITY	10-11
4	POLICY PRINCIPLE ON IMPOSING RATES AND TAXES	11-12
5	SCOPE OF THE POLICY	12
6	PROPERTY USED FOR MULTIPLE PURPOSES	13-14
7	DETERMINATION OF CRITERIA FOR LEVYING OF RATES	14
8	EXCLUSION FROM RATES	15
9	EXEMPTIONS, REDUCTIONS AND REBATES	15-18
10	CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTY FOR PURPOSES OF EXCLUSIONS, EXEMPTIONS, REDUCTIONS, REBATES, OTHER IMPERMISSIBLE RATES AND DIFFERENTIAL RATING	19-21
11	REDUCTIONS	21
12	REBATES	21-23
13	QUALIFYING CRITERIA FOR ADDITIONAL REBATES	23-24
14	RATING CATEGORIES	24-30
15	FREQUENTLY OF PAYMENTS OF RATES	31
16	RATES INCREASES	31
167	CATEGORY OF PROPERTY OWNERS	32-33
18	NOTIFICATIONS OF RATES	33
19	REVIEW OF POLICY	33
20	DECLARATION	33

## 1. LEGISLATIVE CONTEXT

- 1.1 This Rates Policy is mandated by Section 3 of the Local Government Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with:
- (a) Section 2(1), may levy a rate on property in its area; and
  - (b) Section 2(3), must exercise its power to levy a rate on property subject to:
    - (i) Section 229 and any other applicable provisions of the Constitution;
    - (ii) the provisions of the Property Rates Act; and
    - (iii) The Rates By-law.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a Rates Policy.
- 1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time

## 2. DEFINITIONS

In this policy, any word or expression to which a meaning has been assigned in the Act, bears that meaning unless the context indicates otherwise, and any expression which denotes any gender, includes the other gender or the singular only, also includes the plural and vice versa.

### **“Act”**

Means the Local Government: Municipal Property Rates Act, 2004 (ActNo.6 of 2004) and "MPRA, 2004" shall have the same meaning;

**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 for primarily agricultural purposes.”

### **“Aerodrome”**

Means any demarcated area on land or water or any building which is used or intended to be used either wholly or in part, for the arrival or departure of aircraft, and includes any building, installation or equipment within such area which is used or intended to be used in connection with the arrival, departure or movement of aircraft.

**‘Bona fide farmers’** is a person who is a fulltime farmer, who owns land that is used *bona fide* and exclusively used for agricultural purposes by him or occupiers of such;

### **"Business/commercial"**

Means a property used for the activity of buying, selling or trade in commodities or services and includes any office or other accommodation on the same of, the use of which is incidental to such business, with the exclusion of the business of agricultural, farming or inter alia, any other business consisting of the cultivation of soils, the gathering in of crop or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms and shall include (properties of a township developer registered in a township title) commercial property as the case may be;

### **"Category"**

Means category in relation to properties for the purpose of levying different rates; and category in relation to owners of properties for the purpose of granting exemptions, rebates and reductions;

### **"Constitution of the Republic of South Africa"**

Means the Constitution of the Republic of South Africa, 1996(Act108of1996);

### **"Council"**

means the Council of the Maruleng Municipality;

### **“Educational institutions”**

Mean Private (Independent) or Public primary and secondary schools, Universities, Colleges and Crèches’ (regardless of whether subsidized or not), registered as educational institutions as per applicable legislation

### **“Agricultural property”**

Means farmland as envisaged in section 8(2) (d) (i), (e) and (f) (i) of the MPRA. For purposes of the Municipal Property Rates, the Rate Ratio promulgated under Government Notice R. 363 published in Government Gazette No. 32061, Vol. 525 of 27 March 2009, as amended by Government Notice No.R.195 published in Government Gazette No.33016, Vol.537 of 12 March 2010, shall apply "Agricultural property" means farm property that is primarily used for gain for the purpose of the cultivation of soils for the purposes of planting and gathering of crops; forestry in the context of planting and growing of trees in a managed and structured fashion; the rearing of livestock and the propagation and harvesting of fish, excluding property used for the purposes of eco-tourism or for the accommodation of members of the public for gain; and in respect of property on which game is reared, traded or hunted, it excludes any portion that is used for the accommodation of visitors. Farm properties outside of the meaning of ‘agricultural property’ as defined above shall be rated according to the rates policy as far as it applies to those categories of property (i.e. Residential, business & commercial, industrial)

*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 the property for the purpose of eco-tourism or for the trading in or hunting of game”*

Therefore any agricultural property that is used for anything other than as an agricultural property as defined, such as for residential, industrial, business and commercial, or any other purpose, is not eligible to be rated at the 1: 0.25 ratio applicable for agricultural properties in the Regulations. The properties that are outside the meaning of agricultural property as defined should be rated based on their actual use or permitted use.

### **" Government property “or” state-owned property"**

Means property owned and exclusively used by an organ of state, excluding farm properties used for residential or Agricultural purposes;

### **“Holiday Accommodation”**

means in relation to this Policy, a residential property (other than a hotel) that is privately owned and which is used or rented out periodically (either in its entirety or portions thereof), for a period up to 60 days at a time, per transient guest with a permanent place of residence elsewhere, for commercial purposes. The supply of such holiday accommodation includes the supply of furniture and fittings as part of the right of occupation in an all-inclusive fee;

### **"Independent school“**

Means a private school being a public benefit organization of the kind referred to in items 4(a) of Part Land 3(a) Part II of the Ninth Schedule of the Income Tax Act, 1962;

**"Indigent"**

Means any household that is legally resident in the Country and reside in the Maruleng Municipality's jurisdictional area, who due to a number of economic and social factors are unable to pay Municipal basic services as per the Maruleng Municipality's Indigent Policy;

**"Industrial"**

Means a branch of trade or manufacturing, production, assembling or processing of finished or practically finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories and any office or other accommodation on the same property, the use of which is incidental to the use of such factory;

**"Improvement"**

Means any building or structure on or under a property excluding-

- (i) A structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
- (ii) Buildings, structures and equipment or machinery referred to in Section 46(3) of the act

**"Income Tax Act, 1962"**

Means the Income Tax Act.1962 (Act58of1962)

**"Land reform beneficiary"**

In relation to a property, means a person who acquired the property through the Provision of Land and Assistance Act, 1993, or the Restitution of Land Rights Act, 1994, or holds the property subject to the Communal Property Association Act, 1996.

**"Land tenure right"**

Means an old order right or a new order right as defined in section1 of the Communal Land Rights Act, 2004 (Act No.11of2004), whereas–

**"Market value"**

In relation to a property, means the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

**"Mining"**

Means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any mineral residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

**"MPRA"**

means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of2004);" new order right" means a tenure or other right in communal or other land which has been confirmed, converted, conferred or validated by the Minister in terms of section 18 of MPRA;

**"Multiple purpose"**

Means a property that cannot be assigned to a single category due to the different uses of such property in which event the property will be valued based on the apportionment of uses in accordance with the applicable category of property in terms of this policy;

**"Municipal property"**

Means any rateable or non-rateable property owned by the Municipality

**"Newly rateable property"**

Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:-

- (a) a property which was incorrectly omitted from a valuation roll and that reason was not rated before that date,
- (b) a property identified by the Minister by the notice in the Gazette where the phasing in of a rate is not justified or
- (c) a property that is the result of sub-division or consolidation of land or new township establishment.

**"Non-permitted use"**

Means any use of property that is inconsistent with or in contravention with the permitted use of that property in which event, and without condoning the non-permitted use thereof, the property shall be valued as if it were used for such non-permitted purposes only;

**"Occupier"**

Means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**"Old order right"**

Means a tenure or other right in or to communal land which.

- (a) Is formal or informal;
- (b) Is registered or unregistered;
- (c) Derives from or is recognized by law, including customary law, practice or usage; and
- (d) Exists immediately prior to a determination by the Minister in terms of section 18 of MPRA, but does not include-
  - (i) Any right or interest of a tenant, labour tenant, share cropper or employee if such right or interest is purely of a contractual nature; and
  - (ii) Any right or interest based purely on temporary permission granted by the owner of lawful occupier of the land in question, on the basis that such permission may at any time be withdrawn by such owner or lawful occupier;

**"Owner";**

- (i) 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.



- (ii) 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.
- (iii) 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
- (iv) 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"

**"Pensioner"**

for purposes of this rates policy and eligibility for old age rebate, pensioner means any owner of rateable property who has reached the age of 60 years or more during the Maruleng Municipality financial year;

**"Permitted use"**

Means the limited purposes for which the property may be used in terms of-

A condition of title or provision of the Maruleng Municipality applicable Town Planning or Land Use Scheme as amended from time to time;

- (iii) Any legislation applicable to any specific property or properties; or
- (iv) Any alleviation of any such restriction;

**"Person"**

Includes both a natural and a juristic entity as the case may be

**"Physically or mentally disabled"**

Means a person who, owing to physical or mental disability, is unfit to obtain by virtue of any service, employment or profession the means needed to enable him or her to provide for his or her maintenance. (Social Assistance Act, No. 6 of 2004);

**"Property"**

means-

- (a) Immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person;
- (b) 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;

**"Property register"**

Means a register of properties referred to in section 23 of MPRA

**"Protected area"**

Those areas defined as special nature reserve (Section 18), national park (Section 20) or nature reserve (Section 23) within the meaning of the **National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003)**

**"Public benefit organization property"**

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (healthcare), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act, 1962;

**"Public Service infrastructure"**

Means publicly controlled infrastructure as defined by the MPRA and as amended by the municipal property rates amendment act

**"Public Services Purpose"**

In relation to the use of a property, means property owned and used by an organ of state.

**"Public Benefit"**

Organisations as contemplated in Part 1 of the 9th Schedule of the Income Tax Act No. 52 of 1962:

**"Public worship"**

Means property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiated at services at that place of worship. Property used primarily as an office of a religious community or property used as parking facilities, camping sites not operated for gain and cemeteries for that religious community will receive a 100% rebate for rates.

**"Rebate"**

In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the MPRA, on the amount of the rate payable on the property;

**"Reduction"**

In relation to a rate payable on a property, means the lowering in terms of Section 15 of the MPRA, of the amount for which the property was valued and the rating of the property at that lower amount;

**"Residential property"**

Means in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the MPRA.

**"Rate"**

Means the cent in the Rand of the market value of a rateable property that may be levied on the rate payer as may be determined by the Council from time to time during the Municipality's budget process;

**"Rateable property"**

Means property on which Municipality may levy a rate subject to the criteria to be applied as defined in this policy, excluding property fully excluded from the levying of rates in terms of Section 17 of the MPRA;

**“Rate ratio”**

Means a prescribed ratio to the rate as referred to in section 19(1)(b) of the MPRA;

**“Rural Residential”**

Means a residential property in wildlife estate;

**“Sectional title unit”**

Means a section of a building together with its undivided share in the common property apportioned in accordance with the participation quota of the section;

**“Short term rental”**

A short-term rental, or vacation rental, is the renting out of a furnished home, apartment or condominium for a short-term stay or that are rented for short periods of time, usually by the month as opposed to annual rentals in the unfurnished apartment rental market. They are seen as an alternative to hotels. The owner of the property usually will rent out on a weekly basis, but some vacation rentals offer nightly rates;

**“State trust land”**

Means land owned by the state-

- (i) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (ii) over which land tenure rights were registered or granted; or
- (iii) which is earmarked for disposal in terms of the Restitution Land Rights Act, 1994(Act No. 22 of 1994);

**“Use”** in relation to the levying of a rate for different categories of rateable property, means actual use contemplated in Section 8(1)(a) of the Act and relates to the activity that takes place on the property;

**“Vacant land”**

means any vacant land excluding farmland where no immovable improvements have been erected.

**“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

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

#### **3.1 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.

### **3.2 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, Occupational 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.
- Property owners before requesting Clearance certificate, Zoning certificate, Valuation certificate, Occupational Certificate, Reasons for the Decision and before approval of any Building Plans, Town Planning Application the property owners must have all their accounts with the municipality up-to-date
- The property owner must continue to pay property rates as determined prior to them submitting a Request for Review, Query or Objection, failure to pay the property will be put in abeyance for the Requested Review or Objection process.
- 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
- Late Objections will be subjected to adjustment or correction with effective from date of submission.
- Late Objections should be accompanied by the reasons for such late objections.
- Property owners who Lodges objections on bad faith in terms of Market Value or Category, the municipality will re-value such property and or reinstate the Market Value and Category as previously determined.

### **3.3 Supplementary Valuations**

- The Municipality shall from time to time value new properties and revalue existing properties, and such new valuations shall be reflected in a supplementary valuation & supplementary valuation roll, and the rates levied on a property listed in the supplementary valuation & supplementary valuation roll will become payable as determined in Section 78 of the Act
- In the case where there was a change in the category of a rateable property as contemplated in Section 78(1)(g) of the Act, rates levied on such property shall become payable on the date on which the change of category occurred or on the date on which the supplementary valuation & supplementary valuation roll reflecting the change, was completed
- If it is not possible to determine the exact date on which the change of category occurred, the Municipality may determine such date and may have regard to the following:
  - a) the date of issue of a Certificate by the Town Planning Department
  - b) any records or correspondence confirming the date of change of category;

- c) any enforcement /compliance or other notice issued in terms of any law, indicating a change of category; or
- d) any other factors which the Valuer deems relevant
- Where the Valuer has determined that the date on which the change of category referred to in Section 78 (1)(g) of the Act preceded the date of transfer of the property to the current owner of the property, the date on which the change of category occurred will, for the purposes of Section 78(4)(e) of the Act, be deemed to be the date of transfer to such current owner.

### **3.4 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;

### **3.5 Additional Rebates**

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

- Additional rebates will 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
- Property owners receiving rebates will forfeit rebates when property is in arrears for 60 days
- When applying for additional rebates the following should be produced.
  - ID book or Smart ID Card
  - Proof of income/ no income
  - Supporting documents

### **3.6 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.
- Property owner is still entitle to pay rates and taxes on the current valuation until the objection is resolved, your account will be debited or credited after the valuation outcome.
- The lodging of an objection does not defer liability for payment of rates beyond the date determined for payment. (Section 50(6) of the MPRA)

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

- 4.1 Rates are levied in accordance with the Act as an amount in the rand based on the Market value of all rateable property contained in the municipality's valuation roll and supplementary.
- 4.2 Rateable property shall include any rights registered against such property, with the exception of a mortgage bond.
- 4.3 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
  - (a) Cost efficiency:** That the administrative cost related to rate policy is minimal taken in to consideration a mounts required to finance exemptions, rebates, reductions and phase-in of rates as approved by the municipality
  - (b) Equity:** That all categories of property and categories of owners be treated equitable in relation to each other.
  - (c) Financial 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.
  - e) Poverty Alleviation:** *That the rate policy should facilitate poverty alleviation within the context of the mechanism at its disposal*
  - d) Social and Economic Development:** That the rate policy should be cost efficient and should enhance the financial sustainability of the municipality
  - e) Community Participation:** That municipality will in amending this policy commits itself to a process of community participation and will engage interested parties and structures such as rate payers' organizations and ward committees.
  - f) Encourage development of property in the Maruleng Local Municipality, that the rate policy does not discourage improvements of properties within jurisdiction area of the municipality**

#### **5. SCOPE OF THE POLICY**

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

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

- 6.1 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
- 6.2 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.
- 6.3 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.
- 6.4 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.

## **7. DETERMINATION OF CRITERIA FOR LEVYING OF RATES**

### **7.1 Different Categories and Rates of Properties**

In this rates policy, the determination of rate categories to levy different rates for different categories of rateable property, are determined according to the following criteria:

- 7.1.1 Actual use of property and or;
- 7.1.2 Permitted use of the property
- 7.1.3 Non- Permitted / Illegal Use of the property

The municipal valuer of the Maruleng Municipality will be responsible for the categorizing of rateable properties and the maintenance thereof, and any change in the actual use of the property, may result in a change of categories.

Categories of rateable property for purposes of levying differential rates are determined as follows:

- a) Residential properties (Rural Residential, Wildlife Estates, Sectional Title)
- b) Business and commercial properties
- c) Industrial properties
- d) Mining
- e) Municipal property
- f) Public Service Infrastructure
- g) Public Service Purposes
- h) Farm property used for agricultural
- i) Farm property used for business & commercial
- j) Farm property used for residential

- k) Non-permitted use / Illegal Use
- l) Public Worship
- m) Vacant Land Agricultural
- n) Vacant Land Residential
- o) Vacant Land Business & Commercial
- p) Vacant Land Industrial
- q) State Trust land
- r) Public benefit organization
- s) Multiple use
- t) Privately/Public owned open space
- u) Private Roads
- v) Communal owned property

## **7.2 Levying of rates**

- 7.2.1 Period for which rates may be levied. When levying rates, a municipality must levy the rate for a financial year, and this rate lapses at the end of the financial year for which it was levied.
- (a) The levying of rates must form part of a municipality's annual budget process and at this time of its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.
  - (b) A rate levied for a financial year may be increased during a financial year only when required in terms of a financial recovery plan (Section 28 (6) of the MFMA).
  - (c) A rate becomes payable as from the start of a financial year.

### **7.2.2 Amount due for Rates**

The Municipality shall as part of each annual operating budget determine a rate in the rand for every category.

Rates are levied in accordance with the MPRA as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll.

### **7.2.3 Liability for Rates**

A rates levied by the Municipality on a property must be paid by the owner of the property.

Rates will be levied monthly. If an amount due for rates levied is unpaid by the owner of the property, the Maruleng Municipality may recover the amount from the tenant or occupier of the property. The amount due for rates may be recovered from the agent of the owner.

Where the rates levied on a particular property have been as a result of a supplementary valuation made in terms of Section 78 (1) of the MPRA, these rates will be payable with effect from either of the dates as contemplated in section 78(4) (a),(b),(c) or(d) of the MPRA. Recovery of rates due will be in accordance with the Maruleng Municipality Credit control and debt collection Policy.

Without derogating from the provisions of the Act, where Vacant Land has been improved by the erection of a structure in accordance with a valid building plan approved in terms of legislation the Municipal Valuer may be guided by the date on which an occupancy certificate was issued in terms of



Section 14 of the National Building Regulations for the purpose of initiating a supplementary valuation in terms of Section 78 of the Act and re-categorising the property.

## **8. EXCLUSION FROM RATES**

Maruleng Municipality will not levy rates on the following:

- a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the Protected Areas Act, or of a national Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes;
- b) On mineral rights within the meaning of paragraph (ii) of the definition of “property “in section 1 of this rates policy;
- c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds;
- d) On 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 category determined by the municipality:
  - (i) for residential properties; and
  - (ii) for properties used for multiple purposes, only on the component of the property that is used for residential purposes.
- e) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship; and
- f) The property exclusively used and/ or occupied by the Maruleng Municipality.

In an event of any change in use, ownership and/or status of any nature that may affects the exclusion of rates hereof during a financial year, the beneficiary in receipt of such exclusion from rates must notify the municipality and immediately becomes liable for any rates payable on the property, effective from the date such change may have occurred

## **9. EXEMPTIONS, REDUCTIONS AND REBATES**

### **EXEMPTIONS**

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 also, a tax clearance certificate confirming that the Public Benefit Organisation is in good standing. The Public Benefit Organisation must produce its Audited Financial Statements for assessment by the CFO. The CFO has the right to conduct a full financial analysis and credit check of

the Public Benefit Organisation and to call for such other documents as may be considered relevant to the consideration of the application. The purpose of granting an exemption in terms of this Policy is to assist Public Benefit Organisations with limited resources that are liable for the payment of rates and not for those who have the ability to pay as determined from their Audited Financial Statements by the CFO. Exemptions, Reductions and Rebates will be given to the different categories of properties and owners as follows:

- (ii) Health care institutions
- (iii) Welfare institutions
- (iv) Educational institutions
- (v) Independent schools
- (vi) Charities institutions
- (vii) Sporting bodies
- (viii) Cultural institutions
- (ix) Museums, libraries, art galleries
- (x) Youth development organisations
- (xi) Animal welfare

## 9.1 Different categories of properties:

### 9.1.1 Residential Properties

In addition to the impermissible rates of R15, 000 as referred to in paragraph above,

All residential property with a market value of **less than the amount as annually determined** by the Municipality, are exempted from paying property rates. For the 2024/2025 financial year the maximum amount is determined as R130 000. The impermissible rates of R15 000 contemplated in terms of section 17(1)(h) of the Act are included in the amount as referred to above as annually determined by the Municipality. The balance amounting to R115 000 is aimed primarily at alleviating poverty and forms an important part of the Municipality's indigent policy. Nevertheless, the R130 000 reduction on market value is applicable to improved Residential Properties. **VACANT** Residential Properties will only receive the reduction on Market Value of **R15 000** and **NO** rebate will be applicable.

Residential property shall include smallholdings/agricultural holdings unless the owner can provide sufficient proof to the Chief Financial Officer that he/she/it is conducting bona fide and sustainable farming activities on such property; provided that the keeping of animals or plants for sports and/ or recreational activities shall not be deemed to be a bona fide use for agricultural purposes; provided further any such activities that are merely incidental to the primary use of the property shall not be taken into account. In its exercising as to whether proof is provided the Chief Financial Officer shall inter alia take the following into account in exercising its' discretion:

- a) Income and expenditure statements
- b) The actual primary use of the property as determined by the municipal valuer.

Residential properties that are not used wholly for residential purposes but being used for other purpose i.e. short-rental of less than 30 days will not qualify for the Reduction of R130 000 and Rebates, the rates will be calculated on Residential Ratio only.

### 9.1.2. Vacant Land

This category includes the following:

- (i) Land without a zoning, zoning unresolved and any undeveloped land/ erf within a proclaimed township or within a land development area.
- (ii) Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy or final inspection or an affidavit proving the date of occupation.
- (iii) Vacant Land Zoned for Residential and / Rural Residential

### 9.1.3. Agricultural / Farming Properties

Agricultural ratio, will only be applicable to those property owners who are conducting bona fide and sustainable farming activities on such property, the Certificate from Department of Agriculture confirming the activities should be submitted to the municipality. Tax certificate and affidavit confirming that the property in question forms part of the farming activities.

This category excludes property used for purposes of eco-tourism, game farms or equestrian estates, the production of nonedible farm produce and agricultural holdings /small holdings

The ratio as referred to under the definition for agricultural property referred to above shall be as follows:

- a) The ratio in relation to residential property is:

Residential property1: Agricultural property1:0.25

### 9.1.4. Public Benefit Organization Properties

The rate applicable on public benefit organization property, as prescribed by the *Amended Municipal Property Rates Regulations* published in Government Notice No. 33016 of 12 March 2010 that take effect on 1 July 2010, may not exceed the ratio on to the rate on residential properties where:

- a) Public benefit organization property1:0.25

### 9.1.5. Multiple use properties

Properties in this category will be granted a reduction, rebate and/or exemption applicable in accordance with the apportionment of the value in use in respect of such a property.

### 9.1.6. Business and Commercial Properties

Property zoned for business, commercial or industrial purposes; property used for game farming and / or eco-tourism; Property zoned general, special, undetermined, aerodrome, amusement and zoning unresolved which is used for business and commercial or industrial purposes.

### 9.1.7. Agricultural Business

Agricultural holdings and farm portions from which a business or commercial activity is undertaken shall be categorised as business and commercial. Agricultural holdings and farm portions where an industrial or horticultural activity is undertaken shall be categorised as business and commercial.

### 9.1.8. Agricultural Residential

Agricultural holdings and farm portion shall be rated according to the tariff for this category, and will benefit from residential threshold, unless the owner can prove that he/she is a bona fide farmer.

### **9.1.9. Agricultural Other**

This category consists of agricultural holdings and farm portion that are not used for farming, residential or business purposes. This are agricultural vacant land which are not used for any purposes.

## **9.2 Different categories of owners**

The following owners of rateable property may be granted further rebates on rates as hereunder stipulated.

### **9.2.1 Indigents**

Indigent household as defined in the Municipality's indigent policy.

50% rebate will be granted to registered indigents in terms of the Indigent Policy of the Maruleng Municipality, Indigents should apply annually in order to qualify for 50% rebate.

### **9.2.2 Pensioners**

- (a) A maximum/total rebate of 20% will be granted to owner of residential rateable property, who have reached the age of 60 years or his/her spouse, if any, not to exceed an amount equal to two state pensioners allowance per month. The amount will be reviewed during the Maruleng Municipality annual budget process. The pensioner property owner must apply for the rebate; for affordability purposes, proof of income and latest bank statement(s) must be attached.
- (b) The rateable property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
- (c) The applicant must submit proof of his/her age and identity and proof of annual income.
- (d) The property must be categorized as residential.

### **9.2.3 Physically Disabled**

- a) A maximum/total rebate of 20% will be granted to owners of residential rateable property, who are physically disabled. The disabled property owner must apply for the rebate, bank statement(s) and proof of disability must be attached.
- b) The applicant must submit proof of his/her identity, proof of certification by a medical Officer of Health (will be reviewed in bi-annually) and proof of annual income from a social pension;
- c) The property must be categorized as "residential".

### **9.2.4 Mentally Incapacitated**

The applicant must submit proof of his/her identity, proof of certification by a medical Officer of Health (will be reviewed in bi-annually) and proof of annual income from a social pension;

### **9.2.5 Owners temporarily without income**

The Indigent criteria may be applied temporarily on successful application.

### **9.2.6 Disaster-hit property owners:**

Owners of property situated within an area affected by a disaster within the meaning of the Disaster Management Act, 2002(Act No. 57 of 2002); or Serious adverse social or economic conditions.

### 9.2.7 Schools

Public Schools will be exempted from paying rates and taxes upon submission of proof that they are quintile 1, 2 or 3 (no fees school)

### 9.3 Applications for additional rebates:

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.

Application must include copies of the following items:

1. identity document, passport or Smart Identity Card, failing which, your birth certificate or any other proof of age;
2. Salary advice or other acceptable proof of income.

Only a signed form together with all the relevant documentation (as mentioned above) will be accepted for further processing.

Failure to provide the required documentation will result in the application not being considered

## 10. CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTY FOR PURPOSES OF EXCLUSIONS, EXEMPTIONS, REDUCTIONS, REBATES, OTHER IMPERMISSIBLE RATES AND DIFFERENTIAL RATING

### 10.1. 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.
- Property land use categories will be in line with the Maruleng Land Use Management Scheme 2016
- 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.

10.2. The following categories of properties are exempted from rates:-

#### a) **MUNICIPAL PROPERTIES**

Municipal properties exclusively used and or occupied by Maruleng Municipality are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

However, the Municipality may levy rates and taxes on its own properties if the property fall within the following categories:

- (i) Municipal properties that are leased out, more so on long leases. The lessee will be responsible for the payment of the determined assessment rates.
- (ii) Municipal properties that have been sold by a municipality and of which possession was given to the buyer pending registration ownership in the name of the buyer.

## **b) RESIDENTIAL PROPERTIES**

The first R15, 000 is an exemption on the market value of a property assigned in the Valuation Roll or Supplementary Valuation Roll of a Municipality to a category determined by the Municipality for residential properties; or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes. The impermissible rates on the R15,000 contemplated in terms of section 17(1)(h) of the MPRA is included in the amount referred to above as annually determined by the Municipality. This is an important part of the Municipality's indigent policy and is aimed primarily at alleviating poverty.

## **c) PUBLIC SERVICE INFRASTRUCTURE**

Different Exemptions, Reductions or Rebates will be granted to different types of Public Infrastructure. (For details refer to table on 9.3)

Exemptions in 10.2 above will automatically apply and no application is thus required. In the event of any change in use, ownership and or status of any nature that may affect exclusion of rates hereof during a financial year, the beneficiary in receipt of such exclusion from rates must notify the municipality and immediately becomes liable for any rates payable on the property, effective from the date such change may have occurred.

### **10.3. The following categories of owners are exempted from rates:-**

#### **a) CHILD HEADED FAMILIES**

- (i) Families headed by children are exempted from paying rates, according to monthly household income. To qualify for exemption the head of the family must:-
- (ii) Occupy the property as his / her normal residence;
- (iii) Not be older than 18 years of age;
- (iv) Still be a scholar or jobless; and
- (v) Be in receipt of a total monthly household income from all sources not exceeding an amount equal to twice the amount of two state pensions;
- (vi) These applications must be made in terms of the adopted indigent policy of the Municipality.

#### **b) INDIGENT CONSUMERS**

Are owners who qualify, and who are registered as indigents in terms of the adopted indigent policy of the municipality.

Applications must be accompanied by:-

- (i) A certified copy of the identity document or any other proof of the applicant's age which is acceptable to the municipality.
- (ii) sufficient proof of total household income; which must not exceed an amount equal to twice the amount of two state pensions
- (iii) an affidavit from the applicant;
- (iv) a letter of Authority issued by a Court of Law, if not the registered owner of the property

These applications must be made in terms of the adopted Indigent Policy of the municipality.

The Municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

#### 10.4. IMPERMISSIBLE RATES:

In terms of section 17(1) of the Property Rates Act the Municipality may, inter alia, not levy a rate:-

- a) On those parts of a special nature reserve (Section 18), national park (Section 20) or nature reserve Section within the meaning of the **National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003)** or of a national botanical garden within the meaning of the **National Environmental Management: Biodiversity Act, 2004**, which are not developed or used for commercial, business, or residential agricultural purposes. Ratings will only be impermissible if they have the following in terms of the **National Environmental Management: Protected Areas Act**:
  - Property declared as Section 18; 20 or 23 under NEMPA, with Declaration Notice captured in Government Gazette.
  - In terms of Section 38(2) the MEC must have assigned the management of the nature reserve to a suitable entity (in most cases this will be the EXCO of the nature reserve's landowner association).
  - In terms of Section 39(2) the management authority assigned in terms of Section 38(2) must, within 12 months of the assignment, submit a management plan for the nature reserve to the MEC for approval.
- b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.
- c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

#### 11. REDUCTIONS

11.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad hoc* basis in the event of the following:

- 11.1.1 Partial or total destruction of the property
- 11.1.2 Disasters as defined in the **Disaster Management Act, 2002 (Act 57 of 2002)**.
- 11.1.3 Any other serious adverse social or economic conditions

11.2 The following conditions shall be applicable in respect of 10.1:

- 11.2.1. The owner referred to in 10.1.1 shall apply in writing for a reduction and onus will rest on such applicant to prove to the satisfaction of the Municipality that his property has been totally or partially destroyed. He or she will also have to indicate to what extent the property can still be used and the impact on the value of the property.
- 11.2.2. Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No 57 of 2002).
- 11.2.3. Upon verification by the Municipal Valuer, the destroyed property will be treated as a vacant stand.



11.2.4. If rates were paid in advance prior to granting of a reduction the Municipality will give credit to an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made, whichever occurs first.

## **12. EXEMPTIONS**

- Public Schools are exempted from paying rates and taxes (upon submission of proof that they are quintile 1, 2 or 3 (no fees school))

## **13. REBATES**

Rebates for 2024/2025 are based on existing Land Use / Current Use

- Pensioners will be granted an additional 20 % rebates (effective date will be the date of application)
- People with disability will be granted 20% rebates
- A further 15% rebates (upon submission that the owner cannot afford to pay rates and taxes) Residential, Sectional Titles and Rural Residential properties are granted.
- Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from date of inception of the rebate.
- Residents receiving rebates will forfeit rebates when property is in arrears for 60 days i.e Pensioners Rebates, Protected Areas.

### **13.1 Categories of properties:-**

#### **a) Residential Properties**

In addition to the impermissible rates of **R15,000** as referred to in paragraph 7.1 (b) above, a further **R115,000** exemption in the market value of a property will be granted, and a further rebate on assessment rates computed will be granted to all residential properties including state owned residential properties. Nevertheless, the R115, 000 exemption on market value and the rebate is NOT applicable to residential properties that are **VACANT or used for SHORT-TERM RENTALS**.

#### **b) Agriculture Properties**

The rate applicable to Agricultural properties used solely for Agricultural / Farming purposes will be calculated on a ratio of 1:0.0031 to residential properties, in line with Regulation Gazette No. 32061 of March 2009. The rate takes into account the socio-economic contributions that farmers make with respect to job creation, accommodation, provision of services etc.

#### **c) Public Benefit Organisation-owned Property (PBO's)**

The rate applicable to public benefit organization owned properties as 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, No. 58 of 1962, will be calculated on a ratio of 1:0.0031 to residential properties, in line with Gazette No. 33061 of March 2010. The rate takes into account the contributions that PBOs make to the community.

The following are the categories of the **PBOs**:-

#### **i) Welfare and Humanitarian Organisations**



Properties used exclusively for the care or counselling of, or the provision of education programs relating to, abandoned, abused, neglected, orphaned or homeless children as well as the provision of disaster relief, poverty relief, rehabilitative care or counselling or education of prisoners, community development for poor and needy persons etc. as listed in item 1 of part 1 of the income Tax Act No. 58 of 1962.

**ii) Education and Development Organisation**

Properties owned and used by organizations that provide education, higher education, Adult basic education and training i.e. Schools, Higher Education Institutions, Public or private Colleges etc. as defined by the South African Schools Act, 1996 (Act No. 84 of 1996); Higher Education Act, 1997 (Act 101 of 1997); the Adult Basic Education and Training Act, 2000 (Act No. 52 of 2000); the Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006) as listed in item 4 of the Income Tax Act No. 58 of 1962.

**iii) Health Care Organisation**

Properties owned and used by organizations whose sole purpose is the provision of Health care services to poor and needy persons, the care or counselling of terminally ill persons with severe physical or mental disability, and the counselling of their families in this regard, the prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS etc. as listed in item 2 of part 1 of the Income Tax Act, No. 58 of 1962.

**d) Retired and Disabled Persons Rate Rebates**

Retired and Disabled persons qualify for special rebates according to monthly household income. The criteria for qualification will be by application to the Municipality. The extent of the rebate shall be determined by the Municipality and it shall be included in the annual Budget.

**13. QUALIFYING CRITERIA FOR ADDITIONAL REBATES**

**a) Pensioners**

- 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;
- 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);
- If you are the owner of more than one property, the rebate will only be applicable to one property
- Qualifying pensioners will be granted an additional 20% rebates

**b) Indigents**

- Be in receipt of a total monthly income from all sources (including income of spouses of owners) not exceeding R7 000.00;

**c) Built up areas within Protected Areas**

- Area declared under Section 18; 20 or 23 in the National Environmental: Protected Areas Act of 2003. The said properties must be gazetted and a legitimate proof must be provided, including the Management Plan. Effective date will be the date of the application received for properties Declared in terms of Ordinance, Properties Declared in terms of NEMPA the effective date will be the date on the Gazette. The account should be paid up-to-date prior to the implementation of Protected Areas as per the effective dates.

- Any documentations received pertaining to the Protected Areas will be submitted to the relevant department and or to the Department of Environmental Affairs for verifications and validations of status before the exemptions or rebates could be applicable.
- Consolidation and subdivision of protected areas will forfeit protected area status until such time a reapplication has been done with the Department of Environmental Affairs.
- It is the responsibility of the property owner to notify the municipality on their status as a protected area; failure to do so the municipality will continue to charge property rates as determined in the GVR or SV/R.
- Consolidation and subdivision of protected areas will forfeit protected area status until such time a reapplication has been done with the Department of Environmental Affairs, unless if the consolidation occurred from both Declared Properties.
- Property Declared as Protected Area and being used for Residential or Commercial, the Multiple Use will be applied, whereas the land will be exempted by receiving 100% rebate and the improvements will be billed accordingly.
- The municipality will not implement any Rebates or Exemptions on the account (s) in arrears , the Property Owners must ensure that their account (s) with the municipality are paid up-to-date; properties Declared in terms of Ordinance the paid up-date will be the date of the application received, properties Declared in terms of NEMPA the paid up-date will be the date on the gazette.

***NOTE: 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.

#### **14. RATING CATEGORIES**

**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)	20%	0.0126	Farms (Agricultural, residential, commercial etc.)	35%	0.0126
2	RES – RESIDENTIAL	Single family	20%	0.0126	ST - Flats & Business	20%	0.0126
		Two family	20%	0.0126	ST - Maisonettes/Rowhouses	20%	0.0126
		Rowhouse	20%	0.0126	SB - Dwellings <<SHARE BLOCK>>	20%	0.0126
		Residential & Business (mostly residential - 51% and more residential)	20%	0.0126	SB - Flats	20%	0.0126
		Detached structures only	20%	0.0126	SB - Flats & Business (mostly residential - 51% and more residential)	20%	0.0126
		Multiple dwelling Formal / Informal	20%	0.0126	SB - Maisonettes/Rowhouses	20%	0.0126
		Block of flats	20%	0.0126	ST - Residential Garages	20%	0.0126
		Flats and Business (mostly Flats - 51% and more residential)	20%	0.0126	ST - Residential Carports	20%	0.0126
		Retirement Village	20%	0.0126	ST - Residential Granny Flat	20%	0.0126
		Hostel/Barracks	20%	0.0126	ST - Residential Storage	20%	0.0126
		Old age home/Nursing home	20%	0.0126	Farms: Residential > 1 Ha	35%	0.0126
		Terraced/Multi dwelling (3+ units)	20%	0.0126	Smallholdings: Residential ≤1 Ha	35%	0.0126
		Three family residential	20%	0.0126	Unregistered Formal Townships	20%	0.0126
		Doctors/Nurses Quarter	20%	0.0126	Informal Township	20%	0.0126
		ST- Parent Property	20%	0.0126	Rural Residential (Estates & Wildlife residential)	25%	0.0126
		ST - Dwellings	20%	0.0126	Residential – short term rental	0%	0.0126
		ST – Flats	20%	0.0126	RURAL AND INFORMAL SETTLEMENT (Villages)	35%	0.0126
3	IND – INDUSTRIAL	Cold storage	0%	0.0150	Bus/Truck depot	0%	0.0150
		Container storage	0%	0.0150	Warehouse	0%	0.0150



		Heavy industrial	0%	0.0150	Workshop	0%	0.0150
		Industrial park	0%	0.0150	Oil refinery	0%	0.0150
		Light industrial	0%	0.0150	Special Manufacturing	0%	0.0150
		Storage	0%	0.0150	ST - Industrial	0%	0.0150
		Research facility	0%	0.0150	SB - Industrial	0%	0.0150
		Storage tank facility	0%	0.0150	Pack house	0%	0.0150
4	BUS – BUSINESS & COMMERCIAL	Bank	0%	0.0150	BUSINESS AND COMMERCIAL PROPERTIES(Lodges ,B&B, Business Retail, Filling Service Station, Retail Warehouse, Office, Game Farming)	0%	0.0150
		Bar/Lounge	0%	0.0150	BERLIN FARM (Non Agricultural Use)	0%	0.0150
		Car sales/Showroom	0%	0.0150	Storage - Business	0%	0.0150
		Car wash	0%	0.0150	Research facility - Business	0%	0.0150
		Club (Sports club)	0%	0.0150	Warehouse - Business	0%	0.0150
		Commercial & Residential (mostly commercial)	0%	0.0150	Workshop - Business	0%	0.0150
		Convenience store	0%	0.0150	Derelict commercial	0%	0.0150
		Creche	0%	0.0150	Boarding/Lodging house	0%	0.0150
		Department/Discount store	0%	0.0150	Guest house/B&B	0%	0.0150
		Fast food	0%	0.0150	ST - Offices and/or Retail	0%	0.0150
		Film studio	0%	0.0150	SB - Offices and/or Retail	0%	0.0150
		Funeral parlour/Undertaker	0%	0.0150	ST - Non Residential Garages	0%	0.0150
		Health club	0%	0.0150	ST - Non Residential Carports	0%	0.0150
		Hotel	0%	0.0150	ST - Non Residential Granny Flat	0%	0.0150
		Medical centre (Office)	0%	0.0150	ST - Non Residential Storage	0%	0.0150
		Medical clinic	0%	0.0150	ST - Hotel	0%	0.0150
		Office	0%	0.0150	College/University/Technikon (Tertiary)	0%	0.0150
		Office - dwelling conversion	0%	0.0150	Exhibition/Conference centre	0%	0.0150

		Office and retail	0%	0.0150	Private Hospital	0%	0.0150
		Parking garage	0%	0.0150	Private Medical Clinic	0%	0.0150
		Petrol station/Convenience store	0%	0.0150	Private School	0%	0.0150
		Restaurant	0%	0.0150	Illegal Use	0%	0.0270
		Retail - dwelling conversion	0%	0.0150	Transmission Element - Substation	0%	0.0150
		Retail shop	0%	0.0150	Water Reservoirs/Treatment Works/Pumpo House	0%	0.0150
		Shopping centre-neighbourhood	0%	0.0150	Depot	0%	0.0150
		Shopping centre-regional	0%	0.0150	Farms: Comm/Ind/Bus (brick fact, game, eco-tourism) > 1 Ha	0%	0.0150
		Shopping mall	0%	0.0150	Smallholdings: Comm/Ind/Bus ≤1 Ha	0%	0.0150
		Supermarket	0%	0.0150	Small Holdings Mixed	0%	0.0150
		Theatre/Cinema	0%	0.0150	Amusement park	0%	0.0150
		Casino	0%	0.0150	Airport	0%	0.0150
		Abattoir	0%	0.0150	Golf course	0%	0.0150
		Holiday Accommodation – Short term rentals	0%	0.0150	Sports/Country club	0%	0.0150
		Nursery	0%	0.0150	Stadium/Sports facility	0%	0.0150
		Open Parking	0%	0.0150	Land Fill sites	0%	0.0150
		Cold Storage - Business	0%	0.0150	Caravan Park	0%	0.0150
		Industrial Park - Business	0%	0.0150	Crematorium	0%	0.0150
		Light industrial - Business	0%	0.0150	Mortuary	0%	0.0150
		Welfare and Humanitarian	0%	0.0150	Commercial Hijacked	0%	0.0150
5	AGR – AGRICULTURAL	NATURE/ GAME RESERVE/ LODGE IN FARMS B&B, Resort( Refer to Point No.3)	0%	0.0150	VACANT (within a proclaimed township or within a land development area)	0%	0.0134
		FARM BERLIN (Commercial Use)	0%	0.0150	AGRICULTURE – VACANT (not used)	0%	0.0062
		FARMING / AGRICULTURAL COMPONENTS	0%	0.0031	PROPERTY USED FOR BONA FIDE FARMING	0%	0.0031
		AGRICULTURAL HOLDINGS (used for Agricultural Purposes / Bona Fide Farming)	0%	0.0031	GAME FARMING	0%	0.0150



		INDUSTRIAL ( Factories, Pack house)	0%	0.0150	RESIDENTIAL	35%	0.0126
		LAND REFORM PROPERTIES	100%		STATE FARMS ( Villages)	0%	0.0146
6	VAC - VACANT LAND	Township Title/Developers stock (Township Est., Land Development Area, Division of Land)	30%	0.0126	Worship land	100%	
		Private open space (owned by HOA)	100%	0.0134	Parking	0%	0.0150
		Private road	100%		Road Reserve	100%	
		Public open space	100%	0.0134	Road	100%	
		Public park	100%	0.0134	Informal Settlement	0%	0.0134
		Vacant commercial land	0%	0.0134	Vacant Residential land	0%	0.0134
		Vacant Industrial land	0%	0.0134	Undeveloped land	0%	0.0134
		Agricultural Property - Vacant (Not developed)	0%	0.0062			
7	PSP - PUBLIC SERVICE PURPOSES	Public Buildings (Library/Museum, etc.)	0%	0.0146	Place of worship / Churches	100%	0.0000
		Police/Fire/Ambulance/Traffic control	0%	0.0146	Schools, Pre-schools	0%	0.0146
		Hospitals, Police Stations, Clinics, Court of law & Offices	0%	0.0146			
8	MUN - Municipal Properties	Community Halls	100%	0.0000	Roads other property	100%	0.0000
		Bus/Taxi terminal	100%	0.0000	Road	100%	0.0000
		Cemetery	100%	0.0000	Transmission element (substation)	100%	0.0000
		Sewerage/Water treatment	100%	0.0000	Water Reservoir /Treatment Works/ Pump House	100%	0.0000
		Municipal Buildings (Offices, Library, Museum, Courts etc.)	100%	0.00000	Municipal Parking	100%	0.0000
		Municipal Depot	100%	0.0000	Medical Facility / Clinic - Municipal	100%	0.0000
		Residential Land	100%	0.0000	Municipal Traffic Control / Ambulance / Fire	100%	0.0000
		Other Land	100%	0.0000			
9	PRO - PROTECTED AREAS	PROTECTED AREAS – Vacant (referred to in Section 17 of MPRA)	100%	0.0062			
		PROTECTED AREAS - Residential(referred to Point No.4)	35%	0.0126			
		PROTECTED AREAS - Commercial (referred to Point No.4)	0%	0.0150			



10	POS – PUBLIC / PRIVATE OPEN SPACE	PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED AND WHERE NO BUSINESS OR COMMERCIAL ACTIVITIES ARE CONDUCTED IN RESPECT OF SUCH MONUMENTS	100%		POS – Privately owned and used for Residential	25%	0.0126
		PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED, BUT WHERE BUSINESS OR COMMERCIAL ACTIVITIES ARE CONDUCTED IN RESPECT OF SUCH MONUMENTS	0%	0.0150			
11	PBO - PUBLIC BENEFIT ORGANISATIONS	PROPERTIES OWNED BY PUBLIC BENEFIT ORGANISATIONS AND USED TO FURTHER THE OBJECTIVES OF SUCH ORGANISATIONS	0%	0.0031			
		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	100%				
12	MIN - MINING AND QUARRIES	MINING	0%	0.0150	QUARRYING	0%	0.0150
13	PSI - PUBLIC SERVICE INFRASTRUCTURE	Airport element	30%	0.0031	PUBLIC ROADS (SANRAL & RAL)	30%	0.0031
		Harbour element	30%	0.0031	PUBLIC SERVICE INFRASTRUCTURE (RAL & SANRAL)	30%	0.0031
		National Roads Corridor	30%	0.0031	RAILWAY (TRANSNET)	30%	0.0031
		Provincial Roads Corridor	30%	0.0031	Dam	30%	0.0031
		Railway Corridor	30%	0.0031	MUNICIPAL ROADS (Local & District Municipality)	100%	
		Railway other property (Transnet)	30%	0.0031	Run Ways and Aprons	30%	0.0031
		Transmission corridor	30%	0.0031	Water reservoirs/treatment works/Pump House	30%	0.0031
		Transmission element (substation)	30%	0.0031	Gas/Liquid fuel Corridor	30%	0.0031
		Water Pipeline corridor	30%	0.0031	Telecommunication other property	30%	0.0031
		Electrical Power Stations	30%	0.0031	Telecommunication Corridor	30%	0.0031
14	ILLEGAL USE	Illegal Use	0%	0.0270			
15	RCL - RURAL COMMUNAL LAND	Communal land	100%		State Land Trust	0%	0.0146
		Communal land res	30%	0.0126	Communal land Business	0%	0.0146

#### **14. FREQUENTLY OF PAYMENTS OF RATES**

- 14.1. Payments for rates shall be made monthly on or before the date specified in each monthly rate account.
- 14.2. 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.
- 14.3. 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.
- 14.4. 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.
- 14.5. 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.
- 14.6. 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) –R130 000 -20% x 0.0126

=R 4 737.60 ÷ 12 Months

=R394.80 Monthly

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

Property value (R1 000 000.00) x Levying rate (R0.0031c)

=R 3 000 ÷ 12 Months

=R258.00 Monthly

#### **15. RATES INCREASES**

- 15.1. 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.
- 15.2. All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.
- 15.3. The municipality will ensure that its revenue base and the collectability of its revenues remains sound.



## **16. CATEGORY OF PROPERTY OWNERS**

- 16.1. 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)
- 16.2. 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 R5 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, 70% of the rates based on the rateable value above R30 000 but below R100 000, and 50% of the rates based on the rateable value above R100 000).
- 16.3. 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).
- 16.4. Land Reform Beneficiaries
- 16.5. Public Benefit Organisation
- 16.6. Pensioner or Senior Citizens
- 16.7. Disability Grantees or Medically Boarded person
- 16.8. Business and Commercial
- 16.9. Owners Temporarily without income
- 16.10. Sporting Bodies
- 16.11. Government
- 16.12. Government Agencies and Parastatals
- 16.13. 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.
- 16.14. 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.

## **17. NOTIFICATIONS OF RATES**

- 17.1. A municipality will give notice of all rates approved at the annual budget meeting 30 days prior to the date that rates become effective.
- 17.2. 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.

## **18. REVIEW OF POLICY**

- 18.1. 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.

## **19. DECLARATION**

***This Draft Property Rates Policy 2024/2025 is for Maruleng Municipality.***