



PROVINCE OF THE EASTERN CAPE  
IPHONDO LEMPUMA KOLONI  
PROVINSIE OOS-KAAP

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## PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

### PROVINCIAL NOTICE 228 OF 2019

#### RESOLUTION ON LEVYING PROPERTY RATES IN TERMS OF SECTION 14 OF LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES, ACT 2004 (ACT NO.6 OF 2004)

Notice no. 02

Date: 12 August 2019

#### MUNICIPAL NOTICE NO 02 OF 2018/19



#### MHLONTLO LOCAL MUNICIPALITY

#### RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY 2019 TO 30 JUNE 2020

Notice is hereby given in terms of section 14(1) and (2) of Local Government: Municipal Property Rates Act, 2004; that the council resolved by way of council **resolution number 02-18/19** to levy the rates on the property reflected in schedule below with the effect **1 July 2019**.

Category of Property	Cent amount in Rand rate determined for relevant property category
Residential	0.00781
Business	0.01722
Government properties	0.00195
Vacant Land (Residential and Business)	0.00781
Public Service infrastructure	0.00195
Agricultural for business and commercial	0.00195

#### 11. EXEMPTIONS AND IMPERMISSIBLE RATES

11.1 The following categories of property are exempted from rates: -

(a) Municipal properties

**Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.** However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates in accordance with the lease agreement.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. **For the 2019/2020 financial year the maximum reduction is determined as R30 000.** The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. **The first R30 000 (thirty thousand) value of all residential properties and**

**including farm properties used for residential purposes** is exempt from being rated and is excluded from the market value when determining rates payable.

RDP houses are exempted from paying rates except when there has been building improvements wherein the normal rating will apply.

(c) Public Service Infrastructure

The Municipality may not levy rates on the first 30% of the market value of public service infrastructure.

(d) Right registered against a property

Any right registered against a property as defined in clause 2.13(b) of this bylaw is exempted from paying rates.

11.2 Exemptions in clause 11.1 will automatically apply and no application is thus required.

11.3 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, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No.

## **REBATES**

### **13.1. Categories of property**

(a) Business, commercial and industrial properties

i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply: -

a. job creation in the municipal area;

b. social upliftment of the local community; and

c. creation of infrastructure for the benefit of the community.

ii. A maximum rebate as annually determined by the municipality will be granted on approval, subject to: -

a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;

b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and

c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.

iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

(b) Agricultural property rebate

i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account: -

a. the extent of rates related services rendered by the municipality in respect of such properties.

b. the contribution of agriculture to the local economy.

c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and

d. the contribution of agriculture to the social and economic welfare of farm workers.

ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non-residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). For the 2019/2020 financial year the minister has promulgated a ratio of 1:0.25.

iii. An additional rebate (based on the total property value) of maximum 10% will be granted by the municipality in respect of the following: -

a. 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependents.

b. 2,5% if these residential properties are provided with potable water.

c. 2,5% if the farmer for the farm workers electrifies these residential properties.

d. 2,5% for the provision of land for burial to own farm workers or educational or recreational purposes to own farm workers as well as people from surrounding farms.

vi. The granting of additional rebates is subject to the following: -

a. All applications must be addressed in writing to the municipality by 31 August indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once off requirement. Any new applications for the 2019/2020 financial year and onwards must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement.

b. Council reserves the right to send officials or its agents to premises/households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.

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

v. No other rebates will be granted to properties that qualify for the agricultural rebate.

For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in clause 11.1(b) of this bylaw.

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