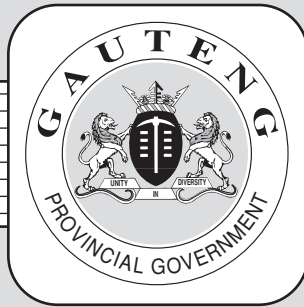


**THE PROVINCE OF  
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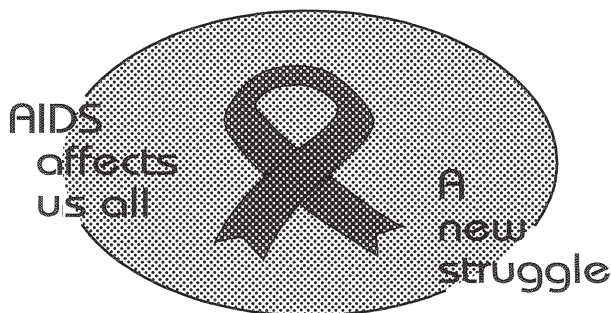
# **Provincial Gazette Extraordinary Buitengewone Provinsiale Koerant**

**Vol. 20**

**PRETORIA, 30 JUNE 2014  
JUNIE**

**No. 171**

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## LOCAL AUTHORITY NOTICE

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LOCAL AUTHORITY NOTICE 869



**Mogale City**

*Local Municipality*

# MOGALE CITY LOCAL MUNICIPALITY

## MUNICIPAL PROPERTY RATES BY-LAWS

**2014/15**



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## **MOGALE CITY LOCAL MUNICIPALITY**

### **PROPERTY RATES POLICY BY LAWS**

#### **1. LEGISLATIVE CONTEXT**

- 1.1 Whereas Section 6 of the Municipal Property Rates Act, 2004(No. 6 of 2004) requires a Municipality to adopt by-laws to give effect to the implementation of its Property Rates Policy.
- 1.2 Now therefore the Municipal Council of Mogale City Local Municipality approves and adopts the following Property Rates by-laws.

#### **2. DEFINITIONS**

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “**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;
- 2.3 “**Agricultural purpose**” in relation to the use of a property, excludes the use (of a property for the purpose of eco-tourism or for the trading in or hunting of game);
- 2.4 “**Annually**” means once every financial year;
- 2.5 “**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.
- 2.6 “**Category**”
  - (a) in relation to property, means a category of properties determined in terms of Section 5 of these by-laws; and
  - (b) in relation to owners of properties, means a category of owners determined in terms of Section 6 of these by-laws.
- 2.7 “**Child-headed household**” means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in section 28(3) of the Constitution.
- 2.8 “**Definitions, words and expressions**” as used in the Act are applicable to these by-laws document where ever it is used;
- 2.9. “**Grant- in-aid**” means an additional grant awarded to persons who are in receipt of an old age grant, disability grant or war veteran’s grant, and are unable to take care of themselves.



- 2.10 **"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 or not in use;
- 2.11 **"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;
- 2.12 **"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;
- 2.13 **"Indigent"** means any household that is legally resident in the Country and reside in Mogale City's jurisdictional area, who due to a number of economic and social factors are unable to pay Municipal basic services;
- 2.14 **"Land reform beneficiary"**, in relation to a property, means a person who -
- (a) acquired the property through -
    - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
    - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
  - (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
  - (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution (Act No.108 of 1996) be enacted after this Act has taken effect;
- 2.15 **"Land tenure right"** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004 (Act No.11 of 2004);
- 2.16 **"Market Value"** in relation to a property, means the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.
- 2.17. **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.
- 2.18 **"Municipal property"** means any rateable or non-rateable property owned by Mogale City.
- 2.19 **"Municipality"** means the Mogale City Local Municipality;





- 2.20 **“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 for that reason was not rated before that date; and
  - (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 2.21 **“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;
- 2.22 **“Occupier”** means a person in actual occupation of a property, whether or not that person has the right to occupy the property.
- 2.23 **“Owner”-**
- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
  - (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
  - (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
  - (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-
    - (i) a trustee, in the case of a property in a trust excluding state trust land;
    - (ii) an executor or administrator, in the case of a property in a deceased estate;
    - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
    - (iv) a judicial manager, in the case of a property in the estate of a person under
    - (v) a curator, in the case of a property in the estate of a person under curatorship;
    - (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
    - (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
    - (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;



- 2.24 **"Pensioner"** for purposes of these by-laws and eligibility for old age rebate, pensioner means any owner of a rateable property who has reached the age of 60 years or more during the Municipality's financial year.
- 2.25 **"Privately owned towns serviced by the owner"** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub-division or township establishment into ( ten or more) full title stands and / or sectional title units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate.
- 2.26 **"Property"** means -
- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
  - (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
  - (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
  - (d) public service infrastructure.
- 2.27 **"Public service infrastructure"** means publicly controlled infrastructure of the following kinds:
- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
  - (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
  - (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
  - (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
  - (e) railway lines forming part of a national railway system;
  - (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
  - (g) runways or aprons at national or provincial airports;
  - (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
  - (i) any other publicly controlled infrastructure as may be prescribed; or
  - (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);
- 2.28 **"Residential property"** means improved property that:-
- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used





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together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.

- (b) is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) For the purpose of these by-laws, hostels, communes, boarding and lodging undertakings, places of instruction, hotels, guesthouses, and any vacant land irrespective of its zoning or intended use are excluded.

2.29 **“state trust land”** means land owned by the state-

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

2.30 **“Institution”** means a place of public worship such as a church, mosque, Synagogue etc.

2.31 **“Education”** means a place of instruction such as a school, college, University etc..

2.32 **“Private Open Space”** means an open space to which the general public has no right of access.

2.33 **“Vacant”** means any property irrespective of its zoning and/or current land use that does not have any top structure/s on it.

2.34 **“Special Use”** means land used or a building designed or used for any use other than one of the uses specifically defined and mentioned in the Krugersdorp town planning scheme 1980.

2.35 **“public Open Space”** means an open space to which the general public has access and includes, inter alia, a park, garden, play park, recreational park or square.

2.36 **“Public Benefit Organisation”** means property owned by public benefit organisations and used for any specified benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of the Ninth Schedule to the Income Tax Act.

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

2.38 **“Business”** means the use of property for the activity of buying, selling or trading



in commodities or services on a property and includes any office or other accommodation on the same property, the use of which is incidental to such activity, but does not include the business of agriculture, farming, or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms

**“Commercial”** means land used or a building designed or used for such purpose as distribution centres, wholesale trade, storage, computer centres, warehouses, cartage and transport services and laboratories and may also include offices such as are usually ancillary to or reasonable necessary in connection with the main use.

2.39 **“Industrial”** means the use of land or a building designed or used as a factory within the meaning of the factories, Machinery and Building Works Act, 1941(Act 22 of 1941) and any amendments thereof and includes any office or other building on the same site, the use of which is usually incidental to, or reasonably necessary in connection with the use of such factory but shall not include noxious industrial uses and public garages.

### 3. APPLICATION OF THESE BY-LAWS.

3.1 In imposing the rate in the rand for each annual operating budget component, the Municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in these by-laws.

### 4. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

4.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and Council of the municipality, make provision for the following classification of services:-

#### 4.1.1 Trading services

- i. Water
- ii. Electricity

#### 4.1.2 Economic services

- i. Refuse removal
- ii. Sewerage disposal

#### 4.1.3 Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 4.1.1, 4.1.2 and 4.1.3.

4.2 Trading and economic services as referred to in clauses 4.1.1 and 4.1.2 must be ring fenced and financed from service charges whilst community and subsidised



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services referred to in clause 4.1.3 will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

## 5. CATEGORIES OF PROPERTIES

5.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

5.1.1. Residential properties;

5.1.2. **Residential properties- Sectional;**

5.1.3 Industrial properties;

5.1.4. **Industrial properties- Sectional**

5.1.5 Business and commercial properties;

5.1.6. **Business properties- Sectional;**

5.1.7 Farm properties (including small holdings) used for:-

a) Agricultural purposes only

b) Commercial and business purposes;

c) Residential purposes;

d) Other purposes other than those specified above;

5.1.8. Municipal properties;

5.1.9 Public service infrastructure referred to in the Act;

5.1.10 State owned properties- **Residential**

5.1.11. **State owned properties-non residential**

5.1.12. Institution

5.1.13. Education

5.1.14 Private Open space

5.1.15 Vacant Stands-**non residential**

5.1.16. Vacant Stands -**Residential**

5.1.17. Multiple use purpose

5.1.18. Special use

5.1.19. Public Open Space



5.1.20. Public Benefit Organisation

5.1.21. Privately owned towns serviced by the owner.

5.1.22. **Mining properties**

- 5.2 In determining the category of a property referred to in 5.1 the municipality shall take into consideration the following criteria or a combination thereof:-
- a) The formal zoning of the property;
  - b) The use of the property
  - c) Township establishment approvals;
  - d) Permitted use of the property; and
  - e) The geographical area in which the property is situated.
- 5.3 The Municipal Valuer of Mogale City will be responsible for the categorising of rateable properties and the maintenance thereof, and any change in the actual use of the property, may result in a change of categories.
- 5.4 In order to create certainty and to ensure consistency the criteria mentioned in 5.2 shall be applied as indicated below in order of priority and no deviation is permissible:-
- 5.4.1 Properties shall first of all be categorised in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.
  - 5.4.2 If, for whatever reason, the status or zoning of a property cannot be determined in terms of 5.4.1, the actual use shall then be determined in order to appropriately categorise such property.
  - 5.4.3 All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.
  - 5.4.4 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 5.4.1 cannot be applied. However, the geographical area as a criterion should not be used in isolation.
- 5.5 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 7 of these by-laws.



## 6. CATEGORIES OF OWNERS

6.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 9, 10 and, 11 respectively, the following categories of owners of properties are determined:-

### 6.1.1 Indigent

100% rebate will be granted to those owners who qualify and who are registered as indigents in terms of the adopted Indigent Management Policy of the Municipality;

### 6.1.2 Retired and the Physically and Mentally disabled

A pensioner who by definition is a person who will have reached the age of 60 or more during the Municipality's financial year for which the rebate will be applicable, or a person who is physically or mentally disabled and who can prove that he/she receives a social pension, or a person certified by the Health Practitioner as being physically or mentally disabled may, in terms of the Act receive a remission of 40% on the general assessment rates due for the financial year. The rebate is granted subject to the following conditions:

(i)The joint household income of the applicant if any, may not exceed R60 000 per annum for a financial year, which amount may be reviewed during the Municipality's annual budget process;

(ii)The rateable property in question may be occupied by only the applicant and his/her spouse, if any, and by dependants with no income, or by certain persons in specific circumstances at the discretion of the Chief Financial Officer. However, the rateable property excludes residential properties ie old age homes that are occupied but not owned by the pensioners".

(iii)The application for remission for the financial year must be received before 30<sup>th</sup> June of the preceding year on a form (which will be made available for this purpose by the Chief Financial Officer) and the information furnished must be substantiated by an affidavit by the applicant.

NB: Applications sent by mail must reach the office on or before the closing date. The Municipality does not accept any responsibility/liability for postal items (including registered post) that do not reach us.

(iv)The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally disabled person, proof of receipt of a social pension and/or, if no such pension is received, proof of certification by a Health Practitioner.

(v)The applicant's current account must be paid in full, or if not, an arrangement to pay the debt must be in place.



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(vi) The property must be categorised as residential;

(vii) If the applicant complies in all respects with these conditions, the amount remitted will be credited on the account and will be included in the monthly levy.

(viii) This rebate is subject to the availability of funds in the applicable financial year.

The above category of properties will be treated in terms of clause 11 of these By Laws;

#### **6.1.3 Disaster-hit property owners**

Owners of property situated within an area affected by-

- a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or

The above category of customers will be treated in terms of clause 10 of these by-laws.

#### **6.1.4 Residential property owners**

Owners of residential properties with a market value below the amount as determined annually by the Municipality in its budget. This category of customers will be treated in terms of clause 9 of these by-laws;

#### **6.1.5 Farm owners**

Owners of farm properties as referred to in clause 11 of these by-laws; and

#### **6.1.6 Child headed families**

Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household. This category of customers will be treated in terms of clause 9.3 of these by-laws;

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

7.1 Rates on properties used for multiple purposes will be levied as follows:-

7.1.1 In accordance with the "permitted use of the property".

7.1.2 In accordance with the "dominant use of the property" if 7.1.1 cannot be applied; or

7.1.3 In accordance with the "different uses" by apportioning the market value of a category of property to the different purposes for which the property is used if both 7.1.1 and 7.1.2 above cannot be applied.





## 8. DIFFERENTIAL RATING

8.1 Criteria for differential rating on different categories of properties will be according to:-

8.1.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

8.1.2. The promotion of social and economic development of the municipality.

8.2 Differential rating among the various property categories will be done by way of setting a different cent amount in the rand for each property category; and

8.3 by way of reductions and rebates as provided for in these by-laws.

## 9. EXEMPTIONS AND IMPERMISSIBLE RATES

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

### 9.1.1 Municipal properties

Municipal properties exclusively used and/or occupied by Mogale City 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 properties 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 of ownership in the name of the buyer;**

### 9.1.2 Residential properties

(Including properties situated in Privately owned towns)

The first R40 000.00 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 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 Property Rates Act is included in the amount referred to above as annually determined by the municipality. This is an important part of the council's Indigent Management Policy and is aimed primarily at alleviating poverty.

### 9.1.3 Public Service Infrastructure

Is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

9.2 Exemptions in 9.1 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

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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.

9.3 The following categories of owners are exempted from rates:-

9.3.1 **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 Management Policy of the Municipality.

9.3.2 **Indigent consumers –**

Owners who qualify and who are registered as indigents in terms of the adopted Indigent Management Policy of the municipality.

(a) 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

(b) These applications must be made in terms of the adopted Indigent Management Policy of the Municipality.

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

9.3.3 **Impermissible Rates:** In terms of section 17(1) of the Property Rates Act 17 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.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.

(b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.



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- (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.

## **10. REDUCTIONS**

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

10.1.1 Partial or total destruction of a property.

10.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

10.2 The following conditions shall be applicable in respect of 10.1:-

10.2.1 The owner referred to in 10.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

10.2.2 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).

10.2.3 Upon verification by the Municipal Valuer, the destroyed property will be treated as a vacant stand.

10.2.4 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such 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.

## **11. REBATES**

11.1. Categories of properties

### **11.1.1 Residential properties**

In addition to the impermissible rates of R15 000 as referred to in paragraph 9.1.2 above, a further R25 000 reduction on the market value of a property will be granted, and a further rebate of 40% on assessment rates computed will be granted to all residential properties including state owned residential properties. Nevertheless, the R 25 000 reduction in market value and the 40% rebate is not applicable to the residential properties that are vacant.



### 11.1.2 Farm properties

The rate applicable to farm properties used for agricultural purposes only will be calculated on a ratio of 1: 0.25 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

The 40% rebate applicable to residential properties will be applicable to farm properties used for residential purposes. No rebate will be applicable to farm properties used for business and commercial purposes.

### 11.1.3 Public Benefit Organisations (PBOs)

The rate applicable to public benefit organisation 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 only will be calculated on a ratio of 1: 0.25 to residential properties, in line with Regulation Gazette No. 33016 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 programmes 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 organisations

Properties owned and used by organisations that provide education, higher education, Adult Basic education and training, further education and training ie schools, higher education institutions, public or private colleges etc. as defined by the South African Schools Act, 1996, Act 84 of 1996; the Higher Education Act, 1997, (Act 101 of 1997); the Adult Basic Education and Training Act, 2000, Act 52 of 2000; the Further Education and Training Colleges Act, 2006, Act 16 of 2006 as listed in item 4 of part 1 of the Income Tax Act, No. 58 of 1962.

iii. Health care organisations

Properties owned and used by organisation whose sole purpose is the provision of health care services to poor and needy persons, the care or counselling of terminally ill persons with a 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.



#### 11.1.4 Retired and Disabled Persons Rate Rebate

Retired and Disabled Persons qualify for special rebates of 40% according to monthly household income. The criteria for qualification will be as per clause 6. of these by-laws.

11.2 The extent of the rebate in terms of 11.1 shall annually be determined by the Municipality and it shall be included in the annual budget.

11.3 No exemptions, reductions or rebates will be granted on the following categories of property:

- 11.3.1 Business and commercial properties, excluding Independent Schools
- 11.3.2 Industrial Property
- 11.3.3 Non-permitted use
- 11.3.4 State owned property (excluding government residential property)

## 12. PAYMENT OF RATES

12.1 The rates levied on the properties shall be levied and payable on a monthly basis;

12.2 The municipality shall determine the due dates for payments and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;

12.3 Interest on arrears rates shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.

12.4 If a property owner who is responsible for the payment of property rates in terms of these by-laws, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.

12.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act as follows:-

12.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the Municipality shall recover the amount in full or partially as follows:-

- a) From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;
- b) From a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 12.5.2 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.





- 12.6 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by owner of the property.
- 12.7 The notice referred to in 12.6 shall give the party concerned at least 14 calendar days to pay the outstanding rates.
- 12.8 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 12.9 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied in terms of the municipality's Credit Control and Debt Collection Policy.
- 12.10 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 the time of its budget, 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.
- 12.11 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.

### **13. ACCOUNTS TO BE FURNISHED**

- 13.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
- (i) the amount due for rates payable;
  - (ii) the date on or before which the amount is payable;
  - (iii) how the amount was calculated;
  - (iv) the market value of the property; and
  - (v) rebates, exemptions, reductions or phasing-in, if applicable.





- 13.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 13.3 In the case of joint ownership, the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners provided the owners grant consent.

#### **14. PHASING IN OF RATES**

- 14.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 14.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:-
- 14.2.1 First year : 75% of the relevant rate;
  - 14.2.2 Second year: 50% of the relevant rate; and
  - 14.2.3 Third year : 25% of the relevant rate.
- 14.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year
- 14.4 The phasing-in discount on these properties shall be as indicated below:-
- 14.4.1 First year : 100% of the relevant rate;
  - 14.4.2 Second year: 75% of the relevant rate;
  - 14.4.3 Third year : 50% of the relevant rate; and
  - 14.4.4 Fourth year : 25% of the relevant rate.

#### **15. SPECIAL RATING AREAS**

- 15.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.
- 15.2 The following matters shall be attended to in consultation with the committee referred to in clause 15.3 whenever a special rating is being considered:-
- 15.2.1 Proposed boundaries of the special rating area;
  - 15.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
  - 15.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;
  - 15.2.4 Proposed financing of the improvements or projects;
  - 15.2.5 Priority of projects if more than one;



- 15.2.6 Social economic factors of the relevant community;
  - 15.2.7 Different categories of property;
  - 15.2.8 The amount of the proposed special rating;
  - 15.2.9 Details regarding the implementation of the special rating;
  - 15.2.10 The additional income that will be generated by means of this special rating.
- 15.3 A committee consisting of at least 6 members of the community, 3(three) of them shall be women, shall be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 15.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 15.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 5.
- 15.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 15.7 The municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.
- 16. FREQUENCY OF VALUATION**
- 16.1 The municipality shall prepare a new valuation roll after every 4 (four ) years, with the option to extend the validity of the valuation roll to 5 (five) with the approval of the MEC for Cooperative Governance and Traditional Affairs in the province.
- 16.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll to 5 (five) years by applying for approval to the MEC for Cooperative Governance and Traditional Affairs in the province.
- 16.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.



## **17. REGISTER OF PROPERTIES**

- 17.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 17.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 17.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:-
  - i. Exemption from rates in terms of section 15 of the Act,
  - ii. Rebate or reduction in terms of section 15 of the Act,
  - iii. Phasing-in of rates in terms of section 21, and
  - iv. Exclusions as referred to in section 17 of the Act.
- 17.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 17.5 The municipality will update Part A of the register during the supplementary valuation process.
- 17.6 Part B of the register will be updated on an annual basis as part of the municipality's budget process and during the determination of the municipal tariffs.

## **18. REGULAR REVIEW PROCESSES**

The Property Rates by-laws shall be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with legislation.

## **19. OFFENCES AND PENALTIES.**

Any one who provides false information in contravention of these by-laws shall be guilty of an offence and if found guilty shall be liable to a fine not exceeding a fine for such an offence as stated in the Adjustment of Fines Act or to imprisonment for a period not exceeding 6 (six) months.

## **20. SHORT TITLE**

- 20.1 These By-Laws may be cited as The Municipal Property Rates By-Laws.
- 20.2 These by-laws shall come into operation on the date on which they are published in the Gazette.



### **ADDITIONS AND/OR AMENDMENTS**

1. Addition of a new definition of a category in 2.17. Mining property
2. Addition of a new Category – Mining property 5.1.22.
3. Under Section 5.1. Categories of sectional title properties have been included under 5.1.2. Residential, 5.1.4. Industrial and 5.1.6. Business properties
4. A new category has been added under 5.1.10. State owned properties split into both Residential and 5.1.11. Non residential
5. Under Section 5.1.14. Vacant Stands category has also been split into two; namely 5.1.14. Vacant stands- non-residential and 5.1.15. Vacant stands-residential.
6. Under Section 16.1. Added (will be four year )

MLCM: GT481 2014/2015 Consideration for Approval of Annual, Budget and MTREF

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a 7 per cent increase from 01<sup>st</sup> July 2014 is contained below:

**Table 5 Proposed rates to be levied for the 2014/15 financial year**

| Category                            | Current Tariff<br>(1 July 2013) | Proposed tariff<br>(from 1 July 2014) | Increase |
|-------------------------------------|---------------------------------|---------------------------------------|----------|
|                                     | c                               | c                                     | %        |
| Residential properties              | 0.01142                         | 0.01222                               | 7%       |
| State Owned Properties Residential  | 0.01142                         | 0.01222                               | 7%       |
| Business & Commercial               | 0.02283                         | 0.02443                               | 7%       |
| Agricultural                        | 0.00293                         | 0.00313                               | 7%       |
| Education Institution               | 0.01142                         | 0.01222                               | 7%       |
| Sectional title-Residential         | 0.01142                         | 0.01222                               | 7%       |
| Sectional title-Industrial          | 0.02283                         | 0.02443                               | 7%       |
| Public Benefit Organization         | 0.01142                         | 0.01222                               | 7%       |
| Industrial                          | 0.02283                         | 0.02443                               | 7%       |
| Religious                           | 0.01142                         | 0.01222                               | 7%       |
| Public Service Infrastructure (PSI) | 0.01142                         | 0.01222                               | 7%       |
| Public Open Space (Municipal)       | 0.01162                         | 0.01243                               | 7%       |
| Private Open Space                  | 0.01162                         | 0.01243                               | 7%       |
| Special Use                         | 0.02091                         | 0.02238                               | 7%       |

#### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply and high percentage of water losses. Mogale City is facing similar dilemma as any municipality in our Country. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury encourages municipalities to develop a pricing strategy to phase-in the necessary tariff increase in a manner that spreads the impact on consumers over a period of time if the water tariffs for municipalities is not fully cost reflective.

National Treasury encourages municipalities to put in place an appropriate strategy to limit water losses to acceptable levels and furthermore Rand Water will work together with municipalities to assist on water demand management. **Water losses in 2012/13 audited financial statements was 33%.**





# Mogale City

Tel: (011) 951-2504  
Fax: (011) 951-2543

Krugersdorp  
P O Box 94  
1740

20 June 2014

**RESOLUTIONS TAKEN AT THE 31<sup>st</sup> SPECIAL MEETING OF THE COUNCIL OF  
MOGALE CITY LOCAL MUNICIPALITY FOR THE TERM 2011-2016, HELD ON FRIDAY,  
20 JUNE 2014 AT 09:00 IN THE COUNCIL CHAMBER, COMMISSIONER STREET,  
KRUGERSDORP**

**ITEM K(ii) 1(06/2014)**

**2014/2015 Annual IDP, Budget and Supporting Documentation of Mogale City Local  
Municipality**

**RESOLVED:**

1. that the annual IDP, Budget of Mogale City Local Municipality for the financial year 2014/15 and the indicative estimates for the two projected outer years 2015/16 and 2016/17, as set out in the schedules listed below be adopted and approved:
  - 1.1. the annual IDP, Budget of the municipality for the financial year 2014/15 and the multi-year and single year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 (**MBRR Table A2**) on page 34 ;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 (**MBRR Table A3**) on page 36 ;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 18 (**MBRR Table A4**) on page 38; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 19 (**MBRR Table A5**) on page 41.
  - 1.2. the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be adopted and approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 20 (**MBRR Table A6**) on page 43;
    - 1.2.2. Budgeted Cash Flows as contained in Table 21 (**MBRR Table A7**) on page 45;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 22 (**MBRR Table A8**) on page 45;
    - 1.2.4. Asset management as contained in Table 23 (**MBRR Table A9**) on page 47;
    - 1.2.5. Basic service delivery measurement as contained in Table 24 (**MBRR Table A10**) on page 49.



2. that the Council of Mogale City Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts and approves the following tariffs:
  - 2.1. the tariffs for electricity – as set out in Schedule 3 on pages 81-83
  - 2.2. the tariffs for the supply of water – as set out in Schedule 3 on pages 84-86
  - 2.3. the tariffs for sanitation services – as set out in Schedule 3 on pages 87-88
  - 2.4. the tariffs for property rates – as set out in Schedule 3 on page 89
  - 2.5. the tariffs for solid waste removal – as set out in Schedule 3 on pages 90-91
3. that the Council of Mogale City Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts and approves the tariffs for other services, as set out in Schedule 3 on pages 92-113 respectively.
4. that the Council of Mogale City Local Municipality, in terms of Section 5 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) approves the reviewed rates policy.
5. that the Council of Mogale City Local Municipality, in terms of Section 6 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) adopts the rates By-laws to give effect to the rates policy.
6. that the Council of Mogale City Local Municipality, in terms of section 46 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) approves the process to acquire a loan of R239 500 000 repayable over 15 years.
7. The Council of Mogale City Local Municipality approves the following budget related policies :
  1. Annexure 1: Property Rates Policy
  2. Annexure 2: Property Rates By-Laws
  3. Annexure 3: Borrowing Policy
  4. Annexure 4: Budget Management Policy
  5. Annexure 5: Adjustment Budget Policy
  6. Annexure 6: Cash Management & Investment Policy
  7. Annexure 7: Long Term Planning Policy
  8. Annexure 8: Credit Control & Debt Collection Policy
  9. Annexure 9: Indigent Management Policy
  10. Annexure 10: Unauthorised Irregular Fruitless & Wasteful Expenditure Management
  11. Annexure 11: 1% Social Responsibility Policy
  12. Annexure 12: Supply Chain Management Policy
  13. Annexure 13: Waste Management Tariff Policy
  14. Annexure 14: Draft 5 year IDP
  15. Annexure 15: Draft 2014/15 SDBIP
  16. Annexure 16: Asset Management of Immovable Assets. & Associated Intangible Policy

8. that the following budget related policies be noted as were approved during the past financial years and remain in force for the 2014/15 financial year:

1. Write Off Policy
2. Sports & Recreation Facilities Tariff Policy
3. General Tariff Policy
4. Virement Policy
5. Funding & Reserves Policy
6. Directives for Deviations from the normal SCM Process
7. Public Safety Tariff Policy
8. Development Contribution for Engineering Services Policy
9. Water Services By-laws

**CERTIFIED A TRUE EXTRACT**



COUNCILLOR S M THUPANE  
MADAME SPEAKER



# Mogale City

Tel: (011) 951-2504

Fax: (011) 951-2543

Krugersdorp

P O Box 94

1740

20 June 2014

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