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KWAZULU-NATAL PROVINSIE
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MUNICIPAL NOTICE

No. 70

10 July 2008



MPOFANA MUNICIPALITY

PROPERTY RATES BYLAW

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Be it enacted by the Council of the Mpofana Municipality, in terms of section 156 (2) of the Constitution, 1996 (Act 108 of 1996) read with section 11 (3)(m) of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000), and section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) as follows:

**MPOFANA MUNICIPALITY****1. DEFINITIONS:**

In this document, unless the context indicates otherwise -

- "agent",** in relation to the owner of a property, means a person appointed by the owner of the property-
- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
 - (b) to make payments in respect of the property on behalf of the owner;
- "agricultural property"** means property used for agricultural purposes;
- "annually"** means once every financial year;
- "appeal board"** means a valuation appeal board established in terms of section 56 of the Act;
- "assistant municipal valuer"** means a person designated as an assistant municipal valuer in terms of section 35(1) or (2) of the Act;
- "category" -**
- (a) in relation to property, means a category of properties determined in terms of section 8 of the Act; and
 - (b) in relation to owners of properties, means a category of owners determined in terms of section 15(2) of the Act;
- "data-collector"** means a person designated as a data-collector in terms of section 36 of the Act;
- "date of valuation"** means the date determined by a municipality in terms of section 31(1) of the Act;
- "district management area"** means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;
- "district municipality"** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;
- "effective date"-**
- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1) of the Act; or
 - (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b) of the Act;
- "exclusion",** in relation to a municipality's rating power, means a restriction of that power as provided for in section 17 of the Act;
- "exemption",** in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15 of the Act;
- "financial year"** means the period starting from 1 July in a year to 30 June the following year;
- "Income Tax Act"** means the Income Tax Act, 1962 (Act No. 58 of 1962);
- "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

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- (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); or
- (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 be enacted after this Act has taken effect;
- "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;
- "local community"**, in relation to a municipality-
 - (a) means that body of persons comprising-
 - (i) the residents of the municipality;
 - (ii) the ratepayers of the municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
 - (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;
- "local municipality"** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;
- "market value"**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- "MEC for local government"** means the member of the Executive Council of a province who is responsible for local government in that province;
- "metropolitan municipality"** means a municipality that has exclusive executive and legislative authority in its area, and which is described in section 155 (1) of the Constitution as a category A municipality;
- "Minister"** means the Cabinet member responsible for local government;
- "municipal council" or "council"** means a municipal council referred to in section 18 of the Municipal Structures Act;
- "Municipal Finance Management Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- "municipality"**-
 - (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and
 - (b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
- "municipal manager"** means a person appointed in terms of section 82 of the Municipal Structures Act;
- "Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- "Municipal Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- "municipal valuer" or "valuer of a municipality"** means a person designated as a municipal valuer in terms of section 33(1) of the Act;

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"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;

"occupier", in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

"organ of state" means –

- (a) any department of state or administration in the national, provincial or local sphere of government; or
- (b) any other functionary or institution –
 - (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution; or
 - (ii) exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;

"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 liquidation;
 - iv. a judicial manager, in the case of a property in the estate of a person under judicial management;
 - v. a curator, in the case of a property in the estate of a person under curatorship;
 - vi. a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is 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;

"permitted use", in relation to a property, means the limited purposes for which the property may be used in terms of –

- a) any restrictions imposed by-

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- i. a condition of title;
- ii. a provision of a town planning or land use scheme; or
- iii. any legislation applicable to any specific property or properties; or
- b) any alleviation of any such restrictions; "person" includes an organ of state;
- "prescribe"** means prescribe by regulation in terms of section 83;
- "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
 - i. public service infrastructure;
- "property register"** means a register of properties referred to in section 23 of the Act;
- "protected area"** means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;
- "Protected Areas Act"** means the National Environmental Management: Protected Areas Act, 2003;
- "public benefit activity"** means –
 - a) any activity listed in Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No. 58 of 1962; and
 - b) any other activity determined by the Minister from time to time by notice in the Government Gazette to be of a benevolent nature, having regard to the needs, interests and well-being of the public.
- "public benefit organization"** means any organization –
 - a) which is a company formed and incorporated under section 21 of the Companies Act, 1973 (Act No. 61 of 1973) or a trust or an association of persons;
 - b) of which the sole object is carrying on one or more public benefit activities where –
 - i. all such activities are carried on in a non-profit manner and with an altruistic or philanthropic intent;
 - ii. no such activity is intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the organization, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
 - iii. at least 85% of such activities, measured as either the cost related to the activities or the time expended in respect thereof, are carried out for the benefit or persons in the Republic, unless the Minister, having regard to the circumstances of the case, directs otherwise: Provided that cost incurred for the benefit of persons outside the Republic shall be disregarded to the extent of donations received by that organization from persons who are not resident and receipts and accruals derived directly or indirectly there from which donations, receipts and accruals have not been previously been taken into account for purposes of this proviso; and
 - c) where –
 - i. each such activity carried on by that organization is for the benefit of, or is widely accessible to, the general public at large, including any sector thereof (other than small and exclusive groups);
 - ii. each such activity carried on by that organization is for the benefit of, or is readily accessible to, the poor and needy; or



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- iii. that organization is at least 85 per cent funded by donation, grants from any organ of state or any foreign grants.

"publicly controlled" means owned by or otherwise under the control of an organ of state, including:

- a) a public entity listed in the Public Finance Management Act, 1999 (Act NO.1 of 1999);
- b) a municipality; or
- c) a municipal entity as defined in the Municipal Systems Act;

"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) any other publicly controlled infrastructure as may be prescribed; or
 - i. rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

"rate" means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

"rateable property" means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

"rebate", in relation to a rate payable on a property, means a discount granted on the amount of the rate payable on a property;

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

"register"-

- a) means to record in a register in terms of-
 - i. the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - ii. the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- b) includes any other formal act in terms of any other legislation to record-
 - i. a right to use land for or in connection with mining purposes; or
 - ii. a land tenure right;

"residential property" means a property included in a valuation roll in terms of section 48 (2) (b) of the Act, as residential;

"Sectional Titles Act" means the Sectional Titles Act, 1986 (Act No.95 of 1986);

"sectional title scheme" means a scheme defined in section 1 of the Sectional Titles Act-



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- "sectional title unit"** means a unit defined in section 1 of the Sectional Titles Act;
- "smallholding",** for the purposes of this policy, means a piece of land between two and five hectares in extent, owned by, or let to, someone for agricultural purposes;
- "specified public benefit activity"** means an activity 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;
- "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);
- "the Act"** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

2. ADOPTION AND CONTENTS OF RATES POLICY:

- 2.1 The Municipality shall adopt a rates policy in terms of which all rateable properties within its area of jurisdiction are rated.
- 2.2 The rates policy shall take effect on the effective date of the first valuation roll prepared by the Municipality under the Act, and shall accompany the Municipality's budget for the financial year concerned when the budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

3. LEVYING OF RATES

- 3.1 The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of this policy or in terms of a national framework prescribed under the Act.
- 3.2 In levying rates on property the Municipality is not obliged to levy rates on properties of which it is the owner, or public service infrastructure owned by it or on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.

4. DIFFERENTIAL RATES

- 4.1 The Municipality may, by resolution, and in terms of criteria set out in this policy, levy different rates for different categories of rateable property, which may include categories determined according to the use of the property, the permitted use of the property or the geographical area in which the property is situated.
- 4.2 For the purposes of preparing the Valuation Roll for the Municipality has determined five (5) categories of properties based on the unity of use or dominant use.

5. IMPERMISSIBLE DIFFERENTIATION

- 5.1 The Municipality may not levy -
 - 5.1.1 a different rate on residential property, except as provided for in sections 11(1) (b)[public service infrastructure], 21 [phasing in of rates] and 89 [use of existing valuation roll/supplementary roll] of the Act;
 - 5.1.2 a rate on non-residential properties that exceeds a prescribed ratio to the rate on

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residential properties determined in terms of section 11 (1)(a) [on the market value of the property] of the Act;

- 5.1.3 rates which unreasonably discriminate between categories of non-residential properties;

i. additional rates except as provided for in section 22 [special rating areas] of the Act.

6. PROPERTIES USED FOR MULTIPLE PURPOSES

- 6.1 The Municipality shall, for rates purposes, assign certain properties to a category of properties used for multiple purposes.

7. LEVYING OF PROPERTY RATES ON SECTIONAL TITLE SCHEMES

- 7.1 A rate on property which is subject to a sectional title scheme shall be levied on the individual sectional title units in the scheme and not on the property as a whole.

a. This will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act. In the interim, the body corporate remains liable for payment of rates on sectional title schemes. Once the valuation roll has been prepared, the body corporate will only be liable for payment of rates in those cases where it is the owner of any specific sectional title unit.

8. AMOUNT DUE FOR RATES

- 8.1 The rate levied by the Municipality shall be an amount in the Rand on the market value of the property.

- 8.2 In the case of public service infrastructure the rate levied shall be on the market value of the public service infrastructure less 30% of that value or on such lower percentage as the Minister may determine.

- 8.3 Furthermore, in the interest of accelerating the provision of basic services to communities, and enhancing the international competitiveness of the South African economy and mobilization of foreign investments and job creation, the Municipality may consider exempting from rating all components of public service infrastructure as defined in the Act.

- 8.4 Public service infrastructure as defined in section 1.

- 8.5 In respect of properties assigned in the valuation roll to a category determined by the Municipality for residential purposes or for properties used for multiple purposes, the rate levied shall be an amount in the Rand less the amount of R15000.

- 8.6 The Municipality acknowledges that the Minister may from time to time increase the monetary threshold referred to in subsection (5), to reflect inflation.

9. PERIOD FOR WHICH RATES MAY BE LEVIED

- 9.1 The Municipality shall levy rates for one financial year at a time. At the end of each financial year the rate levied for that financial year shall lapse.

- 9.2 The Municipality shall, annually, at the time of its budget, set the amount in the Rand for rates.

- 9.3 The levying of rates shall form part of the Municipality's annual budget process as set out in Chapter 4 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

10. COMMENCEMENT OF RATES

- 10.1 Rates levied by the Municipality shall become due and payable as from the start of the financial year.

11. PROMULGATION OF RESOLUTIONS LEVYING RATES

- 11.1 A rate levied by the Municipality shall be adopted by resolution supported by a majority of the members of the Municipality.

a. The Municipality shall publish the resolution in the Provincial Gazette.

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- b. The Municipal Manager shall, without delay, conspicuously display the resolution for a period of at least 30 days at the Municipality's head office and satellite offices and libraries and, if applicable, on a website available to it.
- c. In addition, the Municipal Manager shall, without delay, advertise in the media a notice stating that a resolution levying a rate on property has been passed by the Council and that the resolution is available for inspection at the Municipality's head office and satellite offices and libraries during office hours and on the Municipality's website, if applicable.

12. EXEMPTIONS, REDUCTIONS AND REBATES

- 12.1 The Municipality shall not grant relief in respect of the payment of rates other than by way of exemption, rebate or reduction.
- 12.2 The Municipal Manager shall annually table in the Council of the Municipality a list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year together with a statement reflecting the income foregone by the Municipality by way of exemptions, rebates, reductions, exclusions and the phasing-in discount granted in terms of section 21 of the Act.
- 12.3 The Municipality may grant other rebates by resolution of majority of Council in a form of incentives, to commercial/industrial/business categories of properties for the purposes of encouraging investment within the area of Municipality.

13. CONSTITUTIONALLY IMPERMISSIBLE RATES

- 13.1 The Municipality acknowledges that it may not levy rates on property in a way that would materially and unreasonably prejudice national economic policies, economic activities across its boundary or the national mobility of goods, services, capital or labour as provided for in section 229(2)(a) of the Constitution.
- 13.2 In order to achieve these objectives the Municipality shall endeavor to –
 - rate economic sectors reasonably so that they are able to invest and expand their operations within the jurisdiction of the Municipality;
 - ensure that rates levied, to a greater extent, correctly reflect the cost of delivering and maintaining general municipal services in a way that such rates shall have minimal impact on consumer or producer inflation;
 - ensure that rates which are imposed will not have a negative impact on the development of SMME's and export businesses, but shall strive to provide incentives for investment in productive capacity, agriculture and infrastructure, the results of which will contribute to reduction of unemployment;
 - ensure that incentives are structured in a way that they encourage economic activities within its area and encourage property ownership;
 - ensure that its rates policy is based on political, social and economic cohesion and inclusion to better facilitate economic growth and development.

14. OTHER IMPERMISSIBLE RATES

- 14.1 The Municipality shall not levy a rate 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 National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes.
- 14.2 In respect of subsection (1), the exclusion from rates shall lapse if the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such reserve, park, or botanical garden, is withdrawn in terms of the applicable Act.
- 14.3 The Municipality may levy a rate on those portions of a protected area and/or national botanical garden that are developed or used for business, commercial, agricultural or residential purposes.

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- 14.4 In order to determine whether the exclusion from rates lapses in respect of the properties mentioned in subsection (1), the Municipality shall refer to the register to be provided by the Department of Environmental Affairs entitled "Register of Protected Area", containing a list of all protected areas, the name of the Municipality where the protected area is located, cadastral boundaries, the kind of protected area in each case, the date of declaration and withdrawal. The register will be updated annually and forwarded to Municipalities.
- 14.5 The Municipality shall not levy a rate on a property registered in the name of and used primarily as a place of public worship by a religious organisation, including an official residence registered in the name of that organisation which is occupied by an office-bearer of that organisation who officiates at services at that place of public worship.
- 14.6 In respect of the exclusion from rates on a property registered in the name of, and used primarily as a place of public worship by, a religious organisation, the Municipality regards the religious organisation as a non-profit making entity regarding the use of the property. Therefore, any deviation from this principle shall automatically disqualify the religious organisation from enjoying the benefits conferred by the Act.
- 14.7 The principle stated in subsection (2) shall also apply where a property in the ownership of one religious organisation is used by another religious organisation. In that case, if any money changes hands between the two religious organisations, such money should be limited to settlements of municipal financial obligations such as payments for user service charges, e.g., on water, electricity, refuse removal and the like.
- 14.8 In the case of a property owned by a non-religious entity or organisation, but made available to a religious organisation for use as a place of public worship, such non-religious entity or organisation shall be liable for payment of rates on such property.
- 14.9 Where a religious organisation enjoys the benefit afforded by the Act and the property is disposed of by the religious organisation owning it, the benefit shall lapse and rates on such property shall become payable.
- 14.10 Similarly, where the property is no longer used primarily as a place of public worship or, in the case of an official residence registered in the name of that organisation, where such residence is no longer used as a residence by the office-bearer who officiates at services at that place of worship, the exclusion from rates in respect of those properties shall lapse.
- 14.11 The Municipality shall not levy a rate on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1.
- 14.12 The Municipality shall not levy a rate on a property belonging to a land reform beneficiary or his or heirs, provided that this exclusion shall lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 14.13 The Municipality shall not levy a rate on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of the Municipality to a category determined by the Municipality –
for residential purposes; or
for properties used for multiple purposes, provided that one or more components of the property are used for residential purposes.
- 14.14 The Municipality shall not levy a rate on the first 30% of the market value of public service infrastructure.

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15.1 The Municipality may grant a rebate on the rate payable on the following categories of rateable properties –

<u>CATEGORY OF PROPERTY</u>	<u>REBATE</u>
a) <u>Residential Property</u>	
• Residential properties where the residential component represents 100% of the property's actual use	30%
a) <u>Industrial Property</u>	
• Industrial Properties	0%
• Industrial incentive scheme	Per incentive Scheme
b) <u>Business and Commercial Properties</u>	
• Business and commercial properties	0%
• Industrial incentive scheme	Per incentive Scheme
c) <u>Agricultural Property</u>	
• Residential component	30%
• Business and commercial component	0%
• Agricultural component	30%
• No particular usage	0%
d) <u>Smallholdings</u>	
• Residential component	30%
• Business and commercial component	0%
• Industrial component	0%
• Agricultural component	30%
e) <u>State-owned Property</u>	
• Residential	30%
• Public service infrastructure	0%
• Other	0%
f) <u>Mpoofana Municipality owned property</u>	
• Residential	100%
• Public service infrastructure	100%
• Other (including properties owned by municipal entities)	100%
g) <u>State/Ingonyama Trust Land</u>	
• State/Ingonyama trust land	100%
h) <u>Protected Areas</u>	
• Protected Areas	100%
i) <u>National Monuments</u>	
• Properties on which national monuments are situated and where no business or commercial activities are conducted in respect of such monuments;	100%
• Properties on which national monuments are situated but where business or commercial activities are conducted in respect of such monuments	100%
j) <u>Public Benefit Organizations</u>	
• Properties owned by public benefit organizations and used to further the objectives of such organizations	100%

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- 15.2 Where a property contemplated in section 8 is used for a combination of residential and other purposes, it shall be rated at a rate equivalent to that of developed commercial property, unless the owner has made an application for, and has been granted a rebate by, the Municipality, for multiple purposes.
- 15.3 The Municipality shall in each financial year determine the amount of the rebate to be granted to each of the categories specified in subsection (1).

16. SECONDARY REBATES

- 16.1 The Municipality may grant a rebate on a property whose owner is a recipient of an old age pension or a disability grant, provided that such owner shall furnish the Municipality with the following information –
- a) a certified copy of his identity document;
 - b) written proof from the Department of Social Development that he is the beneficiary of an old age pension or a disability grant and that he meets the income limitation as determined by the Minister of Finance;
 - c) certified copies of bank statements, if any, for the previous three months;
 - d) written proof of unemployment.
17. In respect of a new or expanding commercial or industrial property, the Municipality shall on the discretion of the Council grant the rebates on the rate payable on the market value of new improvements on such property determined in terms of the incentive scheme of the Municipality.
- 17.1 The Municipality may grant a rebate on a property owned by an organization conducting specified public benefit activities and registered in terms of the Income Tax Act, 1962 (Act No. 58 of 1962) for tax reductions because of those activities, where the property of such organization is used for such specified activities.
- 17.2 A public benefit organization shall apply, annually, for a rates rebate.
- 17.3 A public benefit organization applying for a rebate in terms of subsection (2) above shall be required to submit to the municipality, a letter from the South African Revenue Services as proof that it is registered for tax exemption in terms of the Income Tax Act, because of its activities.
- 17.4 The public benefit organization shall confirm by letter from the South African Revenue Services' Tax Exemption Unit in Pretoria that the organization is still registered in terms of the Act for tax exemption because of its activities.
- 17.5 Details of specified public benefit activities as listed in Part 1 of the Ninth Schedule to the Income Tax Act may be seen at Appendix 1 hereto.
18. A rebate granted on the rate payable on any property referred to in sections 16 to 17, inclusive, is conditional upon there being no outstanding rates or service charges owing and payable on such property; provided that where the Municipality grants a rebate to an owner who is in receipt of an old age pension or a disability grant as contemplated in section 23, and such person is in arrears with rates or service charges, such may approach the Municipality and make suitable and acceptable arrangements for the payment of any outstanding rates and service charges.

19. LIMITS ON ANNUAL INCREASE OF RATES

- 19.1 The Municipality acknowledges that the Minister may, by notice in the Gazette, set an upper limit on the percentage by which rates on properties or a rate on a specific category of properties may be increased.

20. COMPULSORY PHASING-IN OF CERTAIN RATES

- 20.1 A rate on newly rateable property shall be phased in over a period of three financial years.



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- 20.2 a rate on property referred to in section 19 shall be phased in over a period of three years after the exclusion period referred to in that section.
- 20.3 a rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities shall be phased in over a period of four financial years.
- 20.4 In respect of the rates referred to in subsections (1) and (2), the phasing in discount shall be applied as follows:
- First year: at least 75% of the rate for that year otherwise applicable to that property;
 - Second year: at least 50% of the rate for that year otherwise applicable to that property;
 - Third year: at least 25% of the rate for that year otherwise applicable to that property.
- 20.5 In respect of properties referred to in subsection (3), the Municipality shall not levy a rate on such properties during the first year. Thereafter, the phasing-in discount shall be applied as follows:
- Second year: at least 75% of the rate for that year otherwise applicable to the property;
 - Third year: at least 50% of the rate for that year otherwise applicable to that property;
 - Fourth year: at least 25% of the rate for that year otherwise applicable to that property.

A rate levied on properties referred to in subsections (1) to (3) shall not be higher than the rate levied on similar property or category of properties in the Municipality.

The Municipality may apply to the Minister to extend the phasing-in period referred to in subsections (1) to (3), but such extended period, together with the initial period, shall not exceed six financial years.

21. ADDITIONAL RATES FOR SPECIAL RATING AREAS

- 21.1 The Municipal Council may by resolution define an area within the Municipality as special rating area and in so doing may levy an additional rate on the property so defined for the purposes of raising funds for improving or upgrading that area.
- 21.2 Before acting in terms of (1) above, the Municipality shall consult the affected community on the proposed boundaries of the area, the proposed improvement or upgrading of the area and obtain the consent of the affected community who will be liable for paying the additional rate.
- 21.3 Upon resolving to establish a special rating area, the Municipal Council shall indicate the boundaries of the area and indicate how such area is to be improved or upgraded.
- 21.4 Furthermore, the Municipality shall establish a separate accounting and other recordkeeping systems regarding the revenue generated by the additional rate and the improvement and upgrading of the area.
- 21.5 Where the Municipal Council has established ward committees, it may establish a subcommittee of the ward committee of the affected area consisting of persons representing the community to act as a consultative and advisory forum for the Municipality.

22. REGISTER OF PROPERTIES

- 22.1 The Municipality shall draw up and maintain a register of properties consisting of a Part A and Part B.

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- 22.2 Part A shall consist of the current, and any supplementary, valuation roll prepared by the Municipality in terms of section 78 of the Act.
- 22.3 Part B shall specify which properties on the valuation roll and supplementary roll are subject to exemption from rates, rebates on, or a reduction in rates, a phasing-in of a rate or an exclusion from rates.
- 22.4 The Register shall be open for public inspection during office hours at an address supplied by the Municipality.
- 22.5 The Municipality shall review the Register at least annually.

23. LIABILITY FOR RATES**23.1 PROPERTY RATES PAYABLE BY OWNERS**

- 23.1.1 A rate levied on a property shall be paid by the owner of that property.
- 23.1.2 Where a property is owned jointly the owners shall be jointly and severally liable for the payment of the rates on such property.
- 23.1.3 In respect of agricultural property that is owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970), the Municipality shall hold owners jointly and severally liable for all rates levied in respect of the property concerned.

23.2 PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

- 23.2.1 A rate levied by the Municipality on a sectional title unit is payable by the owner of the unit and not by the body corporate controlling the sectional title scheme; provided that this will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act. In the interim, the body corporate shall remain liable for the payment of rates on sectional title schemes.

24. METHOD AND TIME OF PAYMENT

- 24.1 The Municipality shall recover rates on a monthly basis.
- 24.2 Rates shall be paid in each month on or before a date determined by the Municipality.
- 24.3 In respect of any rates remaining unpaid after the final date for their payment, there shall be added for each month during which the default continues, penalty interest calculated at a rate to be determined by the Minister, and for the purposes of this section, part of a month shall be deemed to be a month.
- 24.4 The final date for the payment of rates, as determined by the Municipality in terms of subsection (2) above, shall not be affected by reason of any objection in terms of section 52, or an appeal in terms of section 55, of the Act.

If the result of any objection or appeal is that the valuation is –

- i. unchanged, the Municipality may collect any penalty that may have accrued under subsection (3);
- ii. adjusted downwards, the Municipality shall only collect such penalty on the rates due on such reduced valuation and any over-payment that may have been made shall be refunded;
- iii. adjusted upwards, the Municipality shall, in addition to collecting such penalty on the rates due on the valuation before the objection or appeal, also collect such penalty charges on the additional amount of rates due in consequence of such upward adjustment, which remains unpaid after the date specified for payment thereof in a notice served by the Municipal Manager, or his authorized representative, on the person liable for the payment of the rates.

25. ACCOUNTS TO BE FURNISHED

- 25.1 The Municipality shall furnish each person liable for payment of a rate with a written account which shall contain the following information –



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- a) the amount due for rates payable;
 - b) the date on or before which the amount is payable;
 - c) how the amount was calculated;
 - d) the market value of the property;
 - e) if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Act, the amount of the discount;
 - f) if the property is subject to any additional rate in terms of section 22 of the Act, the amount due for additional rates.
- 25.2 Any person liable for the payment of a rate in respect of rateable property shall notify the municipality of any address within the Republic to which notices in respect of such property shall be sent.
- 25.3 any notice which the municipality is required to give in terms of section (25.1) shall be deemed to have been properly given –
- a) if it has been sent by pre-paid post -
 - i. to an address notified in terms of subsection (2);
 - ii. if subparagraph (i) does not apply and the property is not vacant land, to the address of the property shown in the valuation roll; or
 - iii. to an address which appears to be the residential or business address of the person liable for the payment of the rate, according to the records of the municipality, which method of posting shall be utilized if subparagraphs (i) and (ii) do not apply or if any notice posted in terms of the said subparagraphs has been returned as undelivered;
 - b) if it has in fact come to the notice of the person to whom it is required to be given;
 - c) if paragraphs (a) and (b) do not apply, by affixing on the notice board of the municipality for a period of at least thirty days, a schedule containing the name of the person who is liable for the payment of the rate as shown in the valuation roll and the particulars required by section 28(1) of the Act;
- 25.4 Where a property in respect of which a rate is payable, is owned by more than one person and either or both of whom are liable for the payment of a rate on such property, the notices required to be given in terms of this section shall be deemed to have been properly given if posted or delivered to the address of one of such persons; provided that such persons may agree amongst themselves to which address such notices shall be posted or delivered and may notify the municipality accordingly, in the manner provided for in subsection (3) above.
- 25.5 Any person who is liable for payment of a rate but who has not received an account shall:
- a) not be absolved from paying the amount owing by due date and any amount outstanding after such date shall attract penalty charges as provided for in section
 - b) If any person who is liable for payment of a rate does not receive an account, such person shall obtain a copy of such account from the offices of the Municipality, before the due date for payment of the account.
 - c) Any person who is liable for the payment of a rate shall notify the Municipality of any change of address including any e-mail address or other contact details;
 - d) A change of address referred to in (c) above shall take effect on receipt thereof by the Municipality;
 - e) If any person who is liable for the payment of a rate does not receive an account as a result of such person's failure to notify the municipality of a change of address, such person shall nevertheless pay the amount owing by the due date.

26. RECOVERY OF OVERDUE RATES

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- 26.1 The Municipality shall take appropriate steps against the owner of a property where the rates payable on such property are in arrears and shall have the power to sue for and recover all rates which are due and payable to the Municipality
- 26.2 Where the rates payable on a property are overdue, a notice stating that such rates are overdue shall be addressed to the owner of the property in the manner provided for in section (25.3) calling upon the owner to pay such outstanding rates and the penalties accrued or accruing thereon.
- 26.3 Where a property in respect of which the rates are overdue or in arrears, and the property is owned by more than one person, the notice provided for in subsection (2), shall be served in the manner provided for in section (25.4).
- 26.4 In the event that there is no response from the owner, a further notice shall be served on the owner and on the property in which the Municipality shall indicate that services to the property shall be terminated within a stated period should the outstanding rates and any penalties, not be paid, or should a satisfactory arrangement not be made by the owner with the Municipality for the payment of the outstanding rates and penalties
- 26.5 At any time after the last working day of the second month succeeding the month in which there falls the final date for the payment of rates, the Municipality may cause to be published in one or more newspapers circulating in the area of jurisdiction of the Municipality, a notice stating that, if the arrears of rates in respect of the financial year specified in the notice together with all penalties in respect thereof up to the date of payment, are not paid within six months of the date of the publication of the notice, application will be made to a court of competent jurisdiction for an order for the sale by public auction of the properties in respect of which such rates and penalties are in arrear and for the payment out of the proceeds thereof of all arrear rates together with penalties and costs in respect thereof.
- 26.6 If, after the publication of a notice in terms of subsection (5), such rates and penalties are not paid within the period stated therein, the Municipality shall make application to a court of competent jurisdiction showing the amount of rates and penalties then in arrear and that all notices have been given and requesting the court to order any such rateable property or so much thereof as may be sufficient to satisfy the amounts outstanding in terms of rates and penalties, to be sold by public auction and the proceeds thereof to be paid in to court, and to direct payment to the Municipality of all rates and penalties accrued in respect of the date of such sale together with the costs of obtaining the said order and all expenses of such sale.
- 26.7 Any amounts due for municipal service fees, property rates and other municipal taxes, levies and duties recovered as a result of the sale of a property by public auction in terms of an order granted by a court of competent jurisdiction, are a charge upon the property so sold and enjoy a preference over any mortgage bond registered against such property.
- 26.8 If before the sale of any rateable property in terms of an order made under subsection (6) there is produced to the Deputy Sheriff or other person charged with the sale thereof, a certificate by the Municipality that all amounts owing in terms of outstanding and arrear rates and penalty charges have been paid, the said property shall be withdrawn from the sale.
- 26.9 Notwithstanding that all outstanding and arrear rates penalty charges may have been paid before the said sale, the Municipality shall not be liable to any person for any loss or damage suffered by such person by reason of the sale of any

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such property in respect of which no such certificate has been produced to the said Deputy Sheriff or other person.

- 26.10 A property owner who has lodged an objection shall pay rates determined in terms of the disputed market value until the objection is considered and any adjustment in favour of or against the property owner shall be effected and refund or shortfall be paid to the property owner or Municipality depending on the outcome.

27. PENALTIES AND COLLECTION CHARGES

- 27.1 In respect of any rates remaining unpaid after the final date for their payment there shall be added for each month during which the default continues, interest at a rate to be determined by the Minister which rate shall be published in the Municipality's tariff of charges.
- 27.2 in addition to any rates and penalties in respect of any property, collection charges shall accrue as follows:
- a) As from the last working day referred to in section (26.5), an amount representing ten per cent (10%) of the capital amount of the rates then in arrear;
 - b) On the grant of a court order in terms of section (26.6), a further amount representing ten per cent (10%) of the capital amount or the rates then in arrear.
- 27.3 The said charges shall be payable to the Municipality and the said amounts or such of them as may be applicable may be recovered by it in any proceedings for the recovery of rates.
- 27.4 Nothing herein contained shall prevent the Municipality from taking proceedings for the recovery of any rates, penalties or charges by way of action or other competent procedure in any court of competent jurisdiction.

28. RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

- 28.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined in terms of paragraphs (28.2) and (26.3) above, the Municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The Municipality may recover an amount only after the Municipality has served a written notice on the tenant or occupier.
- 28.2 the amount that the Municipality may recover from the tenant or occupier of a property in terms of subsection (1) shall be limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property.
- 28.3 Any amount the Municipality recovers from the tenant or occupier of the property shall be set off by the tenant or occupier against any money owed by the tenant or occupier to the owner.
- 28.4 The tenant or occupier of a property must, on request by the Municipality or its agent with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.
- 28.5 The notice served on the property shall inquire whether the occupier is a tenant and shall state that the Municipality may, legally, attach the rental or other payments due to the owner to settle the arrear rates.
- 28.6 If the occupier is a tenant and agrees to pay over to the Municipality rent and other monies due to the owner and not yet paid to the owner, no further action shall be taken against the tenant and the property.
- 28.7 If the tenant refuses to co-operate with the Municipality, the services to the property shall be disconnected and other management actions implemented in terms of the Municipality's Credit Control Policy and Bylaws.

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28.8 The payment by the tenant in terms hereof shall be recorded on the property file for future reference.

28.9 If the payments by the tenant are not able to redeem the arrears within the following twelve months, the monies shall be attached and the next stage in the debt management policy of the Municipality shall be implemented.

29. RECOVERY OF RATES FROM AGENTS

29.1 The Municipality, or its agent, may, despite the Estate Agents Affairs Act, 1976 (Act No. 112 of 1976), recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the Municipality.

29.2 the municipality may recover the amount due for rates from the agent of the owner only after it has served a written notice on the agent.

29.3 The amount that the Municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

29.4 The agent shall, on request by the Municipality, furnish the Municipality with a written statement specifying all payments for rent on the property and any other money received by the agent on behalf of the owner during a period determined by the Municipality.

29.5 The notice served on the property shall inquire whether the occupier is paying rent and other monies to an agent of the owner and shall state that the Municipality may, legally, attach the net payments (i.e., gross receipts by the agent less commission due to the agent on those gross receipts) due to the owner to settle the arrear rates in terms of section 29 of the Act.

29.6 If the agent refuses to co-operate with the Municipality, the services to the property shall be disconnected and other management actions implemented in terms of the Municipality's Credit Control Policy and Bylaws.

29.7 if the managing agent is identified through the tenant's assistance, a copy of the notice, which was served on the tenant, shall be served on the agent, stating that failure to cooperate may lead to action being taken against the agent and the possible termination of the services to the property in question.

29.8 If the agent assists the Municipality, and the net amount due to the owner is paid to the Municipality, no further action shall be taken against the agent, the tenant or the property.

29.9 The payment by the agent in terms hereof shall be recorded on the property file for future reference.

29.10 If the payments by the agent are not able to redeem the arrears within the following twelve months, the monies shall be attached and the next stage in the debt management policy of the Municipality shall be implemented.

30. RESTRAINT ON THE TRANSFER OF PROPERTY AND RATES CLEARANCE CERTIFICATES

30.1 Section 118 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) ("the Systems Act") provides as follows:

"118(1), A registrar of deeds may not register the transfer of property except on production of a prescribed certificate –

30.2 issued by the municipality or municipalities in which that property is situated; and

30.3 which certifies that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

(1A) A prescribed certificate issue by a municipality in terms of subsection (1) is valid for a period of 120 days from the date it has been issued.



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- 30.4 In the case of the transfer of property by a trustee of an insolvent estate, the provisions of this section are subject to section 89 of the Insolvency Act, 1936 (Act No. 24 of 1936).
- 30.5 An amount due for municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 30.6 Subsection (1) does not apply to –
- a) a transfer from the national government, a provincial government or a municipality of a residential property which was financed with funds or loans made available by the national government, a provincial government or a municipality; and
 - b) the vesting of ownership as a result of a conversion of land tenure rights into ownership in terms of Chapter 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991); Provided that nothing in this subsection precludes the subsequent collection by a municipality of any amounts owed to it in respect of such a property at the time of such transfer or conversion.
- 30.7 Subsection (3) does not apply to any amount referred to in that subsection that became due before a transfer of a residential property or a conversion of land tenure rights into ownership contemplated in subsection (4) took place."
- 30.7.1 The provisions of section 118 of the Systems Act and section 30.1 of the Municipality's Credit Control and Debt Collection Policy and shall be strictly adhered to at all times.
- 30.7.2 In accordance with section 30.1 of the Credit Control and Debt Collection Policy, where the amount due for municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties on a property exceed two years and a clearance certificate is issued, a letter of undertaking shall be provided to the Council by the conveyancer of the property which is to be transferred, agreeing that the amount due for such municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties on the property shall be settled in full on registration of transfer of the property.
- 30.7.3 The Municipality further requires payment in advance equivalent to four months of the rates payable on the property together with an amount equivalent to four months average consumption of the services supplied to the property, prior to a certificate being issued in terms of section 30 of the Credit Control and Debt Collection Policy in order to allow for any consumption which may occur during the period taken for transfer of the property to be registered.
- 30.7.4 Where the average monthly consumption of services to a property have been calculated for a period of more than 60 days, the owner, in consultation with the Municipality, shall make arrangements for the reading of the meter in respect of the relevant services in order to comply with provision of section 118 of the Systems Act.
- 30.7.5 Where the transferee of a property is the surviving spouse of the owner or an heir and such person is already paying the rates and services on the property on a monthly basis, the Council of the Municipality may waive the amounts or portions of such amounts contemplated to in subsection (4).
- 30.7.6 Where a conveyancer is able to demonstrate that exceptional circumstances exist, the Chief Financial Officer may accept a letter of undertaking, or a guarantee, for the payment of the amounts required under subsection (4), provided that the full amount contemplated in that subsection are paid on the date of registration of transfer of the property.

**MPOFANA MUNICIPALITY****31. GENERAL VALUATION OF RATEABLE PROPERTY AND PREPARATION OF VALUATION ROLL**

- 31.1 The Municipality shall cause a general valuation to be made of all properties in the Municipality determined in terms of subsection (2) below and shall include all such properties in a valuation roll.
- 31.2 Notwithstanding that certain properties may be fully or partially excluded from rates, all rateable properties shall be valued during a general valuation; provided that properties referred to in section 4 of this policy shall be valued only to the extent that the Municipality intends to levy a rate on those properties.
- 31.3 All properties valued by the Municipality shall be included in the valuation roll whether or not such properties were valued.

32. DATE OF VALUATION

- 32.1 For the purposes of a general valuation, the Municipality shall, by resolution, determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.
- 32.2 the general valuation roll shall reflect the market value of properties determined in accordance with market conditions, which applied as at the date of valuation.

33. COMMENCEMENT AND PERIOD OF VALIDITY OF VALUATION ROLL

- 33.1 The valuation roll shall take effect from the start of the financial year following completion of the public inspection period and shall remain valid for that financial year, or for one or more subsequent financial years as the Municipality may decide; provided that the roll shall not be valid for more than four financial years in total.

34. CONTENT OF VALUATION ROLL

- 34.1 The valuation roll shall reflect the following particulars in respect of each property as at the date of valuation to the extent that such information is reasonably determinable:
- a) the registered or other description of the property;
 - b) the category determined in terms of section 22(1) hereof in which the property falls;
 - c) the physical address of the property;
 - d) the extent of the property;
 - e) the market value of the property, if the property was valued;
 - f) the name of the owner; and
 - g) any other prescribed particulars.

35. PUBLIC NOTICE OF VALUATION ROLL

- 35.1 Within 21 days of receipt of the certified valuation roll from the valuer, the Municipal Manager shall publish in the prescribed form in the Provincial gazette and once a week for two consecutive weeks in the media, a notice stating that the roll is open for public inspection for a period stated in the notice, which period shall not be less than 30 days from the date of publication of the last notice and inviting every person who wished to lodge an objection to do so in the prescribed manner within the stated period.
- 35.2 the substance of the notice shall be disseminated to the public in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 35.3 The Municipality shall serve on every owner of property listed in the valuation roll a copy of the notice referred to in subsection (1) together with an extract of the valuation roll pertaining to that owner's property. This shall be done by ordinary post or, if appropriate, in accordance with section 115 of the Municipal Systems Act.

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35.4 The Municipality shall also publish the valuation roll on its official website.

36. INSPECTION OF, AND OBJECTIONS TO, VALUATION ROLL

- 36.1 Any person may, within the period stated in section 38.1 above, inspect the roll during office hours, on payment of a reasonable fee determined by the Municipality, obtain extracts from the roll and may lodge any objection to the roll.
- 36.2 the Municipal Manager shall assist an objector who wished to lodge an objection if that objector is unable to read or write.
- 36.3 The Municipal Council itself may lodge an objection with the Municipal Manager on any matter reflected in, or omitted from, the roll.
- 36.4 The Municipal Manager shall, within 14 days after the end of the period referred to in section 38.1 above, submit all objections to the municipal valuer who shall promptly decide and dispose of objections in terms of section 51 of the Act.

37. PROCESSING OF OBJECTIONS

- 37.1 The municipal valuer shall consider all objections in the prescribed manner and thereafter adjust or add to the valuation roll in accordance with any decisions taken.
- 37.2 If an adjustment in the valuation of a property affects the amount due for rates payable on that property, the Municipal Manager shall calculate the amount actually paid on the property since the effective date and the amount payable in terms of the adjustment on the property since the effective date, and shall recover from, or repay to, the person liable for the payment of the rate the difference determined in terms hereof plus interest at a prescribed rate.
- 37.3 Where an addition has been made to the valuation roll, the Municipal Manager shall recover from the person liable for the payment of the rate, the amount due for rates payable plus interest at a prescribed rate.

38. COMPULSORY REVIEW OF DECISIONS OF MUNICIPAL VALUER

- 38.1 If the municipal valuer adjusts the valuation of a property by more than 10 per cent upwards or downwards, the municipal valuer shall give written reasons therefore to the Municipal Manager who shall promptly submit such decision to the valuation appeal board, which shall review the decision in accordance with section 52 of the Act.

39. NOTIFICATION OF OUTCOME OF OBJECTIONS AND FURNISHING OF REASONS

- 39.1 The municipal valuer shall, in writing, notify every person who has lodged an objection, of the valuers decision regarding the objection, any adjustments made to the valuation roll in respect of the property concerned and whether the decision is subject to compulsory review in terms of section 49 above.
- 39.2 within 30 days after such notification, an objector may, in writing, and upon payment of a prescribed fee, request the Municipal Manager to furnish reasons for the decision, whereupon the Municipal Manager shall, within 30 days after receipt of the request, and in writing, provide reasons for the decision, to the applicant.

40. RIGHT OF APPEAL

- 40.1 Any appeal against a decision of the municipal valuer may be lodged, in the prescribed format with the Municipal Manager by any of the following:
- a) A person who has lodged an objection in terms of section 47(1) of this bylaw and who is not satisfied with the decision of the municipal valuer. Such appeal must be lodged within 30 days after the date on which the written notice referred to in section 42.1 was sent to the objector or, if the objector has requested reasons in terms of section 42.2, within 21 days after the day on which the reasons were sent to the objector;

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- b) An owner of a property who is affected by such a decision, if the objector was not the owner. Such appeal must be lodged within 30 days after the date on which the written notice referred to in section 42.1 hereof was sent to the owner or, if the owner has requested reasons in terms of section 42.2, within 21 days after the day on which the reasons were sent to the owner; or

- c) The Council of the Municipality, if the Municipality's interests are affected. Such appeal must be lodged within 30 days after the date on which the decision was taken.

40.2 The Municipal Manager shall forward any appeal lodged in terms of subsection (1) above to the chairperson of the appeal board in question within 14 days after the end of the applicable period referred to in paragraphs (a), (b) and (c) above.

41. VALUATION APPEALS BOARDS

41.1 The establishment, functions, membership and procedures of valuation appeals boards are regulated by Chapter 7 of the Act.

41.2 the Municipality shall remunerate members of the Appeal Board in accordance with its conditions of appointment and any directions of the MEC for local government.

41.3 The Appeal Board may request the Municipality to provide it with the necessary office accommodation and other administrative assistance, including staff for the Board.

41.4 The Municipality shall comply with all reasonable requests in terms of subsection (3) above and shall be liable for the costs of the Appeal Board, provided that members of the Appeal Board shall be remunerated in accordance with subsection(2) above.

42. UPDATING OF VALUATION ROLL

42.1 The Municipality shall update its valuation roll once a year by causing a supplementary roll to be prepared in terms of section 78 of the Act or by amending the valuation roll in terms of section 79 of the Act.

43. DESIGNATION OF MUNICIPAL VALUER

43.1 Before the date of valuation, the Municipality shall designate a person as municipal valuer.

43.2 The person appointed as municipal valuer may be an official of the Municipality or such person may be a private practitioner in which event the Municipality shall, in appointing such person, follow an open, competitive and transparent process in accordance with Chapter 11 of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003).

43.3 The person appointed as municipal valuer shall be furnished with an identity card in the prescribed format.

43.4 the Municipality may withdraw the designation of a person as municipal valuer on the grounds of -

- i. misconduct, incapacity or incompetence;
- ii. non-compliance with a provision of the Act;
- iii. under-performance; or breach of contract in the case of a person appointed from private practice.

44. FUNCTIONS OF THE MUNICIPAL VALUER

44.1 The Municipal Valuer shall in accordance with this policy and the Act -

- a) value all properties in the Municipality determined in terms of section 30(2) of the Act;
- b) prepare a valuation roll of all properties in the Municipality determined in terms of section 30 (3) of the Act;
- c) sign and certify the valuation roll;

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- d) submit the valuation roll to the Municipal Manager within a prescribed period;
- e) consider and decide on objections to the valuation roll;
- f) attend every meeting of the appeal board when the appeal board-
 - i. hears an appeal against a decision of the valuer; or
 - ii. reviews a decision of the valuer;
- g) prepare a supplementary valuation roll whenever this becomes necessary;
- h) assist the Municipality in the collection of postal addresses of owners where such addresses are reasonably determinable by the valuer when valuing properties; and
- i) generally, provide the Municipality with appropriate administrative support incidental to the valuation roll.

45. ASSISTANT MUNICIPAL VALUERS

- 45.1 The Municipal Manager may designate officials of the Municipality or persons in private practice as assistant municipal valuers to assist the Valuer of the Municipality with the performance of any of the functions set out in section 47 hereof.
- 45.2 Where the Municipal Valuer is not an official of the Municipality, such person may, with the concurrence of the Municipal Manager, appoint persons in private practice as assistant municipal valuers and recover from the Municipality the cost of securing the services of such persons, provided that such assistants are employed in terms of the contract concluded between the Municipality and the municipal valuer.
- 45.3 The functions of an assistant valuer shall be those specified under section 56 hereof.

46. DATA-COLLECTORS

- 46.1 The Municipal Manager may designate officials of the Municipality or persons who are not officials of the Municipality as data-collectors to assist the valuer with the collection of data and other related work,
- 46.2 Where the Municipal Valuer is not an official of the Municipality, such person may, with the concurrence of the Municipal Manager, appoint persons in private practice as data collectors and recover from the Municipality the cost of securing the services of such persons, provided that such data-collectors are employed in terms of the contract concluded between the Municipality and the municipal valuer.

47. DELEGATIONS BY THE MUNICIPAL VALUER

- 47.1 The Municipal Valuer may delegate to an assistant municipal valuer any powers or duties assigned to the Municipal Valuer in terms of the Act and to a data-collector any powers or duties to assist the Municipal Valuer in the collection and processing of data.
- 47.2 The Municipal Valuer shall regularly review any delegations made in terms of subsection (1) above.
- 47.3 A delegation made by the Municipal Valuer shall be in writing and is subject to any limitations and conditions the Municipal Valuer wishes to impose, provided that a delegation does not divest the Municipal Valuer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.
- 47.4 The Municipal Valuer may confirm, vary or revoke any decision taken in consequence of a delegation in terms of this section, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

**MPOFANA MUNICIPALITY****48. QUALIFICATIONS AND CONDUCT OF MUNICIPAL VALUER**

48.1 The qualifications and conduct of the Municipal Valuer are set out in sections 39 and 43 of the Act.

49. VALUATION CRITERIA

49.1 Property shall be valued in accordance with generally recognised valuation practices, methods and standards.

49.2 In order to achieve the desired result, methods may include physical inspection of a property, or comparative, analytical and other systems or techniques, including aerial photography and computer-assisted mass appraisal systems or techniques.

49.3 In the absence of available market-related data of any category of rateable property, such property may be rated in accordance with any mass evaluation system or technique approved by the Municipality, which may include a valuation system or technique based on predetermined bands of property values and the designation of properties to one of those bands on the basis of minimal market-related data.

50. GENERAL BASIS OF VALUATION

50.1 Subject to any other applicable provisions of this Act, the market value of a property is 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.

50.2 In determining the market value of a property, the following shall be considered for purposes of valuing the property:

- a) The value of any licence, permission or other privilege granted in terms of legislation in relation to the property;
- b) the value of any immovable improvement on the property that was erected or is being used for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the improvement was erected or is being used for a lawful purpose; and
- c) the value of the use of the property for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the property is being used for a lawful purpose.

50.3 In determining the market value of a property the following shall be disregarded for purposes of valuing the property:

- a) The value of any building or other immovable structure under the surface of the property which is the subject matter of any mining authorisation or mining right defined in the Minerals Act, 1991 (Act No. 50 of 1991);
- b) the value of any equipment or machinery which, in relation to the property concerned, is immovable property, excluding-
 - i. a lift;
 - ii. an escalator;
 - iii. an air-conditioning plant;
 - iv. fire extinguishing apparatus;
 - v. a water pump installation for a swimming pool or for irrigation or domestic purposes; and
 - vi. any other equipment or machinery that may be prescribed; and
- c) any unregistered lease in respect of the property.

50.4 In determining the market value of a property used for agricultural purposes, the value of any annual crops or growing timber on the property that have not yet been harvested as at the date of valuation shall be disregarded for purposes of valuing the property.



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50.5 Where the available market related data is not sufficient to determine the market value of public service infrastructure, such public service infrastructure may be valued in accordance with any other method of valuation as may be prescribed.

VALUATION OF PROPERTIES IN SECTIONAL TITLE SCHEMES

51.1 When valuing a property which is subject to a sectional title scheme, the Valuer shall determine the market value of each sectional title unit in the scheme in accordance with section 50 above.

appendix 1

INCOME TAX ACT, NO. 58 OF 1962 NINTH SCHEDULE

PUBLIC BENEFIT ACTIVITIES

PART 1

1. WELFARE AND HUMANITARIAN

- a) The care or counselling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children.
- b) The care or counseling of poor and needy persons where more than 90% of those persons to whom the care or counseling are provided are over the age of 60.
- c) The care or counseling of, or the provision of education programmes relating to physically or mentally abused and traumatized persons.
- d) The provision of disaster relief.
- e) The rescue or care of persons in distress.
- f) The provision of poverty relief.
- g) Rehabilitative care or counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial,
- h) The rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.
- i) Conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa.
- j) The promotion or advocacy of human rights and democracy.
- k) The protection of the safety of the general public.
- l) The promotion or protection of family stability.
- m) The provision of legal services for poor and needy persons.
- n) The provision of facilities for the protection and care of children under school-going age of poor and needy parents.
- o) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees.
- p) Community development for poor and needy persons and anti-poverty initiatives, including-
 - i. the promotion of community-based projects relating to self-help, empowerment capacity building, skills development or anti-poverty;
 - ii. the provision of training, support or assistance to community-based projects contemplated in item (i); or
 - iii. the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses,

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which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation

2. HEALTH CARE

- a) The provision of health care services to poor and needy persons.
- b) The care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard.
- c) The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.
- d) The care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard. The provision of blood transfusion, organ donor or similar services.
- e) The provision of primary health care education, sex education or family planning.

3. LAND AND HOUSING

- a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of poor and needy persons.
- b) the development, servicing, upgrading or procurement of stands, or the provision of building materials, for purposes of the activities contemplated in subparagraph (a).
- c) The provision of residential care for retired persons, where more than 90% of the persons to whom the residential care is provided are over the age of 60 and regular meals and nursing services are provided by the organisation carrying on such activity.
- d) Building and equipping of community centres, clinics, sport facilities or crèches or other facilities of a similar nature for the benefit of the poor and needy.
- e) The promotion, facilitation and support of access to land and use of land, housing and infrastructural development for promoting official land reform programmes.
- f) Granting of loans for purposes of subparagraph (a) or (b) subject to such conditions as may be prescribed by the Minister by way of regulation.
- g) The protection, enforcement or improvement of the rights of poor and needy tenants, labour tenants or occupiers, to use or occupy land or housing.

4. EDUCATION AND DEVELOPMENT

- a) The provision of education by a "school" as defined in the South African Schools Act, 1996 (Act No. 84 of 1996).
- b) The provision of "higher education" by a "higher education institution" as defined in the Higher Education Act, 1997 (Act No. 101 of 1997).
- c) "Adult basic education and training" as defined in the Adult Basic Education and Training Act, 2000 (Act No. 52 of 2000), including literacy and numeracy education.
- d) "Further education and training" provided by a "public further education and training institution" as defined in the Further Education and Training Act, 1998 (Act No. 98 of 1998).
- e) Training for unemployed persons with the purpose of enabling them to obtain employment.

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- f) The training or education of persons with a severe physical or mental disability.
- g) The provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged by subparagraph (b).
- h) The provision of educare or early childhood development services for pre-school children.
- i) Training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government.
- j) The provision of school buildings or equipment for public schools and educational institutions engaged in public benefit activities contemplated in subparagraphs (a) to (h).
- k) Career guidance and counseling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (a) to (b).
- l) The provision of hostel accommodation to students of a public benefit organization contemplated in section 30 or an institution, board or body contemplated in section 10(1)(cA)(i), carrying on activities envisaged in subparagraphs (a) to (h).
- m) Programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in subparagraphs (a) to (h).
- n) Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- o) The provision of scholarships, bursaries and awards for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette.

5. RELIGION, BELIEF OR PHILOSOPHY

- a) The promotion or practice of religion which encompasses acts of worship, witness, teaching and community service based on a belief in a deity.
- b) The promotion and/or practice of a belief.
- c) The promotion of, or engaging in, philosophical activities.

6. CULTURAL

- a) the advancement, promotion or preservation of the arts, culture or customs.
- b) the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries.
- c) The provision of youth leadership or development programmes.

7. CONSERVATION, ENVIRONMENT AND ANIMAL WELFARE

- b) Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere.
- c) The care of animals, including the rehabilitation, or prevention of the ill treatment of animals.
- d) The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects.

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- e) The establishment and management of a Tran frontier area, involving two or more countries, which –
- i. is or will fall under a unified or coordinated system of management without compromising national sovereignty; and
 - ii. has been established with the explicit purpose of supporting the conservation of biological diversity, job creation, free movement of animals and tourists across the international boundaries within the peace park, and the building of peace and understanding between the nations concerned.

8. RESEARCH AND CONSUMER RIGHTS

- a) Research including agricultural, economic, educational, industrial, medical, political, social, scientific and technological research.
- b) The protection and promotion of consumer rights and the improvement and control and quality with regard to products or services.

9. SPORT

The administration, development, coordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.

10. PROVIDING OF FUNDS, ASSETS OR OTHER RESOURCES**10.1 The provision of-**

- a) funds, assets, services or other resources by way of donation;
- b) assets or other resources by way of sale for a consideration not exceeding the direct cost to the organisation providing the assets or resources;
- c) funds by way of loan at no charge; or
- d) assets by way of lease for an annual consideration not exceeding the direct cost to the organisation providing the asset divided by the total useful life of the asset, to any-
 - i. any public benefit organisation which has been approved in terms of section 30;
 - ii. any institution, board or body contemplated in section 10(1)(cA)(i), which conducts one or more public benefit activities in this part (other than this paragraph);
 - iii. any association of persons carrying on one or more public benefit activity contemplated in this part (other than this paragraph), in the Republic; or
 - iv. any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b).

MPOFANA MUNICIPALITY**11. GENERAL**

- a) The provision of support services to, or promotion of the common interests of public benefit organisations contemplated in section 30 or institutions, boards or bodies contemplated in section 10(1)(cA)(i), which conduct one or more public benefit activities contemplated in this part.
- b) The hosting of any international event approved by the Minister for purposes of these regulations, having regard to-
 - i. the foreign participation in that event; and
 - ii. the economic impact that event may have on the country as a whole.