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LOCAL AUTHORITY NOTICE

LOCAL AUTHORITY NOTICE 342

VENTERSDORP LOCAL MUNICIPALITY PROPERTY RATES BY-LAWS

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Ventersdorp Local Municipality, enacts as follows:

**RATES BY-LAWS
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RATES BY-LAWS

1. LEGISLATIVE CONTEXT

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

2. DEFINITIONS

- 2.1 "Act" means the Municipal Property Rates Act, 2004 (No. 6 of 2004).
- 2.2 "Agricultural purposes" 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.
- 2.3 "Business" means the activity of buying, selling or trading in goods or services and includes any office or other accommodation on the same erf the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or *inter alia*, any other business consisting of cultivation of soil, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
- 2.4 "Child headed family" means a family headed by a person who is not older than 18 years of age.
- 2.5 "Industrial" means a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved.
- 2.6 "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.
- 2.7 "Mining" means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto.
- 2.8 "Multiple purposes" in relation to a property, means the use of a property for more than one purpose and therefore, it cannot be assigned to a single category.
- 2.9 "Municipality" means the municipal council for the municipal area of VENTERSDORP (NW 401)
- 2.10 "Municipal properties" means those properties of which the municipality is the owner.
- 2.11 "Newly rateable property" means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.
- 2.12 "Privately owned towns serviced by the owner" means single properties, situated in an area not ordinarily serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/or sectional units and where all services inclusive of water, electricity, sewage and refuse removal and roads development are installed at full cost of the developer and maintained and rendered by the residents of such estate.
- 2.13 "Protected areas" means those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, 2003.

- 2.14 "Public Benefits Organisations" means organisations conducting welfare and humanitarian, health care, education and development activities and registered in terms of the Income Tax Act for tax reductions because of those activities.
- 2.15 "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 and 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 communication system serving the public;
 - (g) runways or aprons at national or provincial airports;
 - (h) breakwater, sea walls, channels, basin, 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 light houses, 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 the infrastructure mentioned in paragraphs (a) to (i) above.
- 2.16 "Residential" means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, boarding and undertaking, hostel and place of instruction.
- 2.17 "Residential property" means improved property that:
- (a) is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used 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 is used solely for residential purposes.
 - (c) is owned by a share-block company and is used solely for residential purposes.
 - (d) is a residence used for residential purposes situated on property used for or related to educational purposes.
- This definition specifically excludes "vacant land" irrespective of its zoning and intended use.
- 2.18 "State-owned properties" means properties owned by the State, which are not included in the definition of public service infrastructure.
- 2.19 "Vacant land" means a land where no immovable improvements have been erected.

3. BY-LAWS PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this BY-LAWS.
- 3.3 Phasing in of rates will be done as prescribed by section 21 of the Act and clause 16 of this BY-LAWS.
- 3.4 The rates BY-LAWS for the municipality is based on the following principles:

3.4.1 Equity

The municipality will treat all ratepayers with similar properties the same.

3.4.2 Affordability

The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.

3.4.3 Sustainability

Rating of property will be implemented in a way that :

- i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
- ii. supports local and social economic development with consideration and compliance with the Local Economic Development (LED) strategy of the municipality.

4. **SCOPE OF THE BY-LAWS**

This BY-LAWS guides the annual setting (or revision) of property rates. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this BY-LAWS.

5. **COMMUNITY PARTICIPATION**

The process of Community Participation has been followed by the Municipality as envisaged in Chapter 4 of the Municipal Systems Act before the adoption of the Rates By-Laws:

Furthermore, the Municipal Manager will

- 5.1 advertise in the media a notice stating that the rates BY-LAWS has been adopted by council, and that such BY-LAWS are available at the various municipal offices for public inspection. Property owners and interest persons may obtain a copy of the rates BY-LAWS from the municipal offices during office hours at a fee of R50.00 per copy.

6. **APPLICATION OF THE BY-LAWS**

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the respective categories of properties and owners as allowed for in this BY-LAWS.

7. **UTILISATION OF RATES REVENUE**

Revenue from property rates represent a critical source of general revenue for the municipality utilised to fund community and subsidised services that benefit the community as a whole as opposed to individual households; and must not be used to subsidise economic (refuse removal, sewerage disposal) and trading (water, electricity) services.

8. **CATEGORIES OF PROPERTY**

- 8.1 The municipality has determined categories of property for the purpose of levying different rates and for the purpose of granting relief according to the following criteria or a combination thereof-

- (a) the formal zoning of the property;
- (b) township establishment approvals;
- (c) actual use of the property;
- (d) permitted use of the property; and
- (e) geographical area in which the property is situated.

- 8.2 Categories of property for the municipality include-

- (a) residential properties;
- (b) business and commercial properties;

- (c) Industrial properties;
- (d) farm properties (including small holdings) used for-
 - agricultural purposes only;
 - commercial purposes;
 - industrial purposes;
 - residential purposes;
 - mining purposes;
 - a combination of the above purposes.
- (e) farm properties not used for any purpose;
- (f) state owned properties;
- (g) municipal properties;
- (h) public service infrastructure as defined in clause 2.14 of this BY-LAWS;
- (i) properties owned by public benefit organisations;
- (j) Informal settlements
- (k) state trust land;
- (l) properties for public worship.

NOTE: Categories of property will only be finalised after compilation of valuation roll.

8.3 In order to create certainty and to ensure consistency, the criteria stated in 8.1 of this BY-LAWS shall be applied as indicated below in order of priority and no deviation is permissible-

8.3.1 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.

8.3.2 If, for whatever reason, the status of zoning of a property cannot be determined in terms of 8.3.1, the actual use shall then be determined in order to appropriately categorise such property.

All relevant information, including circumstantial evidence, may be taken into account in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.

8.4 Properties used for multiple purposes shall be categorised and rated as provided in section 9 of the Act and as more fully described in clause 10 of this BY-LAWS.

9. CATEGORIES OF OWNERS

9.1 The municipality has determined the following categories of owners for the purpose of granting exemptions, rebates or reductions in terms of clauses 13, 14 and 15 of this BY-LAWS :

- (a) Those owners who qualify and who are registered indigents in terms of the adopted indigent policy of the municipality;
 - (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the threshold annually determined by the municipality in its budget;
 - (c) Owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002);
 - or
 - ii. any other serious adverse social or economic conditions;
 - (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
 - (e) Owners of agricultural properties as referred to in clause 15.1;
- and
- (f) 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.

10. PROPERTIES USED FOR MULTIPLE PURPOSES

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

- (a) In accordance with the "permitted use of the property";
- (b) In accordance with the "dominant use of the property" if (a) cannot be applied; or
- (c) In accordance with the "different uses" apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

11. DIFFERENTIAL RATING

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

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of social and economic development of the municipality.

11.2 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

11.3 by way of reductions and rebates as provided for in this BY-LAWS.

12. LEVYING AND PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEME

12.1 The rate on a property which is subject to a sectional title scheme will be levied on the individual sectional title units in the scheme and not on the property as a whole.

12.2 The rate levied on a sectional title unit will be payable by the owner of the unit. The municipality will not recover the rate on such sectional title unit, or any part of such rate, from the body corporate controlling the sectional title scheme, except when the body corporate itself is the owner of any specific sectional title unit.

13. EXEMPTIONS AND IMPERMISSIBLE RATES

13.1 The following categories of property are exempted from rates:

(a) Municipal properties

Municipal properties are exempted from paying rates as payment of rates will increase the rates burden or service charges to property owners or consumers. Where municipal properties are leased, the lessee will be responsible for the payment of the determined assessment rates.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. The mandatory exemption from payment of rates of the first R15 000 of the market value of all residential properties contemplated in section 17(1)(h) of the Act is included in the amount as annually determined by the municipality. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty

(c) Public Benefit Organisations

The following Public Benefit Organisations may apply for the exemption of property rates subject to submitting a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

i. Health care institutions

Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

ii. Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

- iii. Educational Institutions
Property belonging to educational institutions declared or registered by law.
 - iv. Charitable institutions
Property belonging to not-for-gain institutions or organisations that perform charitable work.
 - v. Sporting bodies
Property used by an organisation whose main purpose is to use the property for sporting purposes on a non-professional and non-profitable basis.
 - vi. Cultural institutions
Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
 - vii. Museums, libraries, art galleries and botanical gardens
Registered in the name of private persons, open to the public and not operated for gain.
 - viii. Youth development organisations
Property owned and/or used by organisations for the provision of youth leadership or development programmes.
 - ix. Animal welfare
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- 13.2 (i) Exemptions in 13.1 (a) and (b) will automatically apply and no application is thus required.
- (ii) Exemptions in 13.1 (c) are subject to the following conditions-
- (a) submission of application for exemption addressed in writing to the municipality ;
 - (b) a SARS tax exemption certificate must be attached to all applications;
 - (c) the municipal manager or his/her nominee must approve all applications;
 - (d) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
 - (e) the municipality reserves the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false.
- 13.3. Impermissible Rates: In terms of section 17 (1) of the Act, the municipality may, inter alia, not levy a rate –
- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the 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 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.
 - (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.
- 13.4 The following categories of owners are exempted from rates-
- (a) Child headed families
 - i. Families headed by children are exempted from paying rates, according to monthly household income. To qualify from exemption the head of the family must-
 - a. occupy the property as his/her normal residence;
 - b. not be older than 18 years of age;

- c. still be a scholar or jobless; and
 - d. be in receipt of a total monthly income from all sources not exceeding an amount Determined annually by the municipality.
 - ii. The family head must apply on a prescribed application form for a rebate as determined by the municipality and must be assisted by the municipality with completion of the application form.
- (b) Indigent consumers
- Owners who qualify and who are registered as indigents an terms of the adopted Indigent BY-LAWS of the municipality.
- (c) Application for exemption 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;
 - iii. an affidavit from the applicant.
- 13.4.1 The applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which the exemption is sought.
- 13.4.2 The municipality reserves the right to refuse the exemption if the details supplied in the application form are incomplete, incorrect or false.

14. REDUCTIONS

- 14.1 Reductions, as contemplated in section 15 of the Act, will be considered on an ad-hoc basis in the event of the following-
- 14.1.1 Partial or total destruction of a property..
 - 14.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act No. 57 of 2002)
- 14.2 The following conditions shall apply in respect of 14.1-
- (a) The owner referred to in 14.1.1 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/her 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.
 - (b) 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).
 - (c) A maximum deduction, to be determined on an annual basis, will be allowed in respect of both 14.1.1 and 14.1.2.
 - (d) An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.
 - (e) If rates had been paid in advance prior to granting of a reduction, the municipality will give credit to such owner as from the date of reduction until the date of lapse of the reduction or at the end of the period for which payment was made whichever occurs first.

15. REBATES

15.1. Categories of property

(a) Business, commercial and industrial properties

The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development BY-LAWS. The following criteria will apply:-

- a. job creation in the municipal area;
- b. social upliftment-of the local community; and
- c. creation of infrastructure for the benefit of the local community

A maximum rebate as annually determined by the municipality will be granted on application subject to-

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

- b. an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
- c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
- d. municipal council resolution approving the application.

In determining the annual rebate, the municipality shall take into consideration all relevant and applicable circumstances.

(b) Privately owned towns serviced by the owner

The municipality shall grant an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in 2.10 of this BY-LAWS provided that an application to that effect is received by the municipality not later than 31 October of each year.

(c) State properties

The municipality will grant rebates in respect of state properties as set out in schedule A.

(d) Residential properties

The municipality will grant rebate, as set out in schedule A, which applies to improved residential property that is:

- i. used predominantly for residential purposes, with not more than two dwelling units per property,
- ii. registered in terms of the Sectional Title Act,
- iii. owned by a share-block company, or
- iv. a rateable residence on property used for or related to educational purpose.

(e) Agricultural property rebate

i. Agricultural/farm properties will be granted rebates to be annually determined by the municipality provided that the farm owner is taxed by SARS as a farmer and that proof to this extent in the form of the last tax assessment is submitted. If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40% of the household income.

ii. Rebates will be granted on the basis of the following criteria as set out in Schedule A:

a. The extent of municipal services provided to agricultural properties

- i. if there are no municipal roads next to the property.
- ii. if there is no municipal sewerage to the property.
- iii. if there is no municipal electricity to the property.
- iv. if water is not supplied by the municipality
- v. if there is no refuse removal that is provided by the municipality.

b. The contribution of agriculture to the local economy

A rebate will be granted to agricultural property that contributes substantially to job creation, and the salaries/wages of farm workers are reasonable, e.g. if they meet minimum standards set by government or if they are in line with the sector's average.

c. Rebates will be granted after submission of proof by the owner, to the extent to which agriculture assists in meeting service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers:

- i. if the owner is providing permanent residential property to the farm workers and such property is registered in the name of these farm workers,
- ii. if such residential properties are provided with potable water,
- iii. if the farmer has electrified such residential properties of his farm workers.

- iv. if the farmer is availing his land/buildings to be used for cemetery, education and recreational purposes of the farm workers and their dependants and the nearby community in general, etc.

(f) Public Service Infrastructure

A rebate of 30% as mandated by section 17(1) (a) of the Act will be granted for Public Service Infrastructure as they provide essential services to the community

15.2 Categories of owners

(a) Retired and Disabled Persons Rate Rebate

Retired and Disabled Persons qualify for special rebates according to monthly household income as set out in Schedule A.

To qualify for the rebate a property owner must:

- a. occupy the property as his/her normal residence;
- b. be at least 60 years of age or in receipt of a disability pension from the Department of Social Development or other approved pension funds;
- c. be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding an amount annually determined by the municipality;
- d. not be the owner of more than one property; and
- e. provided that where the owner is unable to occupy the property due to no fault of his/her, the spouse or minor child may satisfy the occupancy requirement.

15.2.1 Property owners must apply on a prescribed application form for a rebate as determined by the municipality.

Applications must be accompanied by-

- a. a certified copy of the bar coded identity document, passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the municipality;
- b. sufficient proof of income of the owner and his/her spouse;
- c. an affidavit from the owner;
- d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

15.2.2 These applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought.

15.2.3 The municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

15.3 Properties with a market value below a prescribed valuation level

Properties with a market value below a prescribed valuation level of a value to be determined annually by the municipality may, instead of a rate being determined on the market value, be levied at a flat rate per property.

16. **COMPULSORY PHASING-IN OF RATES**

16.1 Newly Rateable Properties

16.1.1 Newly rateable property is any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

- 16.1.2 Rates levied on newly rateable property will be phased in over a period of three financial years in accordance with section 21 of the Act. The phasing-in discount will be determined as follows:-
- (a) In the first year, a discount of 75% of the rates for the year applicable on the property,
 - (b) in the second year, a discount of 50% of the rates for the year applicable on the property,
 - (c) in the third year, a discount of 25% of the rates for the year applicable on the property.
- 16.2 Newly Rateable property owned and used by Public Benefit Organisations
- 16.2.1 Rates 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 will be phased in over a period of four financial years. The phasing-in discount will be determined as follows:-
- (a) In the first year no rates will be levied on the property concerned,
 - (b) In the second year, discount of 75% of the rates for the year applicable on the property,
 - (c) in the third year, discount of 50% of the rates for the year applicable on the property,
 - (d) in the fourth year, a discount of 25% of the rates for the year applicable on the property,
- 16.3 Rates on Property belonging to a land reform beneficiary or his/her heirs
- 16.3.1 The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds
- After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years.
- The phasing-in discount will be determined as follow:
- (a) In the first year, a discount of 75% of the rates for the year applicable on the property,
 - (b) in the second year, a discount of 50% of the rates for the year applicable on the property,
 - (c) in the third year, a discount of 25% of the rates for the year applicable on the property,
17. **COSTS AND BENEFITS OF EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS AND PHASING-IN OF RATES**
- 17.1 The costs in respect of exemptions, reductions, rebates, exclusions and phasing-in of rates to the municipality are as set out in schedule B.
- 17.2 The municipal manager will ensure that the revenues forgone (costs in respect of exemptions, reductions, rebates, exclusions and phasing-in of rates) are appropriately disclosed in each annual operating budget, annual financial statements and annual report and that such exemptions, rebates, reductions and phasing-in of rates are clearly indicated on the rates account submitted to each property owner.
- 17.3 The benefits to the community of granting relief are-
- i. the promotion of local economic development including attracting business investment, for example small business establishment;
 - ii. creation of employment for municipal residents;
 - iii. promotion of service delivery, for example by farmers;
 - iv. poverty alleviation to the indigents;
 - v. social development and moral development, for example, by religious institutions, sports institutions, schools and other non governmental organisations which promote health and other benefit to the community; and
 - vi. Improved local economic growth.
18. **REGISTER OF PROPERTIES**
- 18.1 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.
- 18.2 Part A of the register will consist of the current valuation roll of the municipality and will include any supplementary valuation rolls prepared from time to time.
- 18.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation rolls are subject to:
- (i) exemption from rates in terms of Section 15 of the Act;
 - (ii) rebate or reduction in terms of Section 15,
 - (iii) phasing-in of rates in terms of Section 21; and
 - (iv) exclusion referred to in Section 17.

- 18.4 The register will be open for inspection by the public at the municipality during office hours, or on the website of the municipality.
- 18.5 The municipality will update Part A of the register every 6 months during the supplementary valuation process.
- 18.6 Part B of the register will be updated annually during the budget process.

19. ACCOUNTS TO BE FURNISHED

- 19.1 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) exemptions, reductions, rebates or phasing-in discount, if applicable.
- 19.2 A person liable for payment of the 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 from the municipality.

20. CORRECTION OF ERRORS AND OMISSIONS

- 20.1 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.
- 20.2 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 at the maximum rate permitted by prevailing legislation.

21. RATES INCREASES

- 21.1 The municipality may consider increasing rates annually during the budget process in accordance with the guidelines issued by the National Treasury from time to time.
- 21.2 The municipality will ensure that community participation in increases in rates is effected through its annual budget process.

22. NOTIFICATION OF RATES

- 22.1 The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- 22.2 A notice stating the extent of the municipality's resolution and the date on which the new rates become operational will be conspicuously displayed by the municipality for a period of at least 30 days at its head and satellite offices and libraries as well as publishing it in the Provincial Gazette as required in terms of section 14(2) of the Act.

23. PAYMENT OF RATES

- 23.1 Payment in Instalments

The property owner may choose between paying rates annually in one instalment on or before 30 October or in twelve equal instalments on or before the seventh day of the month following on the month in which it becomes payable.

If the owner notifies the municipal manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the municipal manager or his/her nominee that he/she wishes to pay all rates in respect of such property in instalments, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in twelve instalments until such notice is withdrawn by him/her in a similar manner.

23.2 Interest on Rates in Arrears

Interest on rates in arrears, whether payable on or before 30 October or in equal monthly instalments, shall be calculated in accordance with the interest rate as determined by the Minister for Provincial and Local Government.

23.3 Recovery of Rates in Arrears from Owner

If the property owner fails to pay rates in the prescribed manner, the municipality will recover the rates from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent BY-LAWS of the municipality.

23.4 Recovery of Rates in Arrears from Tenants and Occupiers

Rates in arrears shall be recovered from a tenant or occupier of the property of the owner, in terms of section 28 of the Act.

- (a) If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation, to the contrary, on the tenant or occupier. The municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier.
- (b) The amount the municipality will recover from the tenant or occupier will 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. The tenant or occupier must set off any amount recovered from him/her by the municipality against any money owed to the owner.
- (c) The tenant or occupier of a property will on request of the municipality, furnish the municipality 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 as may be determined by the municipality.

23.5 Recovery of Rates in Arrears from Agents

Rates in arrears shall be recovered from an agent of the owner of the property in terms of section 29 of the Act.

- (a) If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.
- (b) The amount the municipality will recover from the agent will be 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.
- (c) The agent, will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.

24. SPECIAL RATING AREA

24.1 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.

24.2 The following matters shall be attended to in consultation with the committee referred to in 25.3 of this BY-LAWS whenever a special rating is being considered-

- i. Proposed boundaries of the special rating area.
- ii. 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.
- iii. Proposed improvements clearly indicating the estimated costs of each individual improvement
- v. Proposed financing of the improvements or projects.
- v. Priority projects if more than one.

- vi. Socio-economic factors of the relevant community.
- vii. Different categories of property.
- viii. The amount of the proposed special rating.
- ix. Details regarding implementation of the special rating.
- x. The additional income that will be generated by means of this special rating.

- 24.3 A committee consisting of at least 6 members of the community of whom 3 shall be women will be established to advise and consult the municipality in regard to the proposed special rating referred to above. The 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 be held under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decision-making powers.
- 24.4 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 one vote only.
- 24.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 8 of this BY-LAWS.
- 24.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purpose whatsoever.
- 24.7 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.

25. FREQUENCY OF VALUATION

- 25.1 The municipality shall prepare a new valuation roll every 4 (four) years, with the option to extend the validity of the valuation roll to 5 (five) years subject to the approval of the MEC for Local Government and Housing in the province.
- 25.2 Supplementary valuation roll will be prepared every 6 (six) months.

26. REGULAR REVIEW PROCESSES

The rates BY-LAWS will be reviewed on an annual basis to ensure that it complies with the municipality's strategic objectives as contained in the IDP and with legislation.

27. SHORT TITLE

This BY-LAWS is the Property Rates BY-LAWS of the Ventersdorp Local Municipality.

28. ENFORCEMENT/IMPLEMENTATION

This BY-LAWS has been approved by the Municipality in terms of resolution

R52/2009 dated *15 JUNE '09*

and comes into effect from 1 July 2009