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

Notice No. **56/2018**

Date. 01 June 2018

MUNICIPAL NOTICE NO: 56 of 2018

CEDERBERG MUNICIPALITY

**RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY 2018 TO
30 JUNE 2019**

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004; that the Council resolved by the way of council resolution number **RB9.1.2/31-05-2018**, to levy the rates on property reflected in the schedule below with effect from 1 July 2018.

Category of property	Cent amount in the Rand rate determined for the relevant property category
Residential Property	0.01222466
Business and commercial property	0.01580442
Industrial property	0.01580442
Agricultural property	0.00305645
Mining property	n.a
Public service infrastructure property	0.01580442
Public benefit organisation property	0.01580442
Public Benefit organisations may receive a rebate of 100% if they apply and adhere to certain criteria.	

Full details of the Council resolution and rebates, reductions and exclusions specific to each category of owners of properties or owners of specific category of properties as determined through criteria in the municipality's rates policy are available for inspection on the municipality's offices, website (www.cederbergmunicipality.gov.za) and all public libraries.



NAME: L Volschenk

DESIGNATION: MUNICIPAL MANAGER

BUSINESS ADDRESS

2 A Voortrekker Road, Clanwilliam, 8135

TELEPHONIC DETAILS OF THE MUNICIPALITY

027 482 8000

CEDERBERG MUNICIPALITY

CUSTOMER CARE, CREDIT CONTROL and DEBT COLLECTION **POLICY**



Reviewed: MARCH 2018

1. Purpose

1.1. Section 95 of the Local Government: Municipal Systems Act, no 32 of 2000 (“the Act”) requires the Municipality to:

- 1.1.1. establish a sound customer management system;
- 1.1.2. establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;
- 1.1.3. Take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilised;
- 1.1.1. Take reasonable steps to ensure the accurate measurement of consumption of services;
- 1.1.2. Ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;
- 1.1.3. Provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;
- 1.1.4. Provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;
- 1.1.5. Provide mechanisms to monitor response times to such complaints;
- 1.1.6. Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

1.2. Section 96 of the Act requires the Municipality to:

- 1.2.1. Collect all money that is due and payable to it;
- 1.2.2. For the abovementioned purpose, adopt, maintain and implement a credit control and debt collection policy.

1.3. Section 97 of the Act requires that such a policy must provide for:

- 1.3.1. Credit control procedures and mechanisms;
- 1.3.2. Debt collection procedures and mechanisms;
- 1.3.3. Indigent debtors;
- 1.3.4. Realistic targets;

- 1.3.5. Interest on arrears;
- 1.3.6. Extension of time for payment of accounts;
- 1.3.7. Termination of services or the restriction of the provision of services when payments are in arrears;
- 1.3.8. Matters relating to unauthorised consumption of services.

1.4. The purpose of this policy is to provide for the matters referred to in 1.1, 1.2 and 1.3.

2. Definitions

In this policy:

- 2.1. Unless the context clearly requires a different interpretation, any word or expression which has been defined in the By-law shall bear the same definition when used in this policy;
- 2.2. unless the context clearly requires a different interpretation:
 - 2.2.1. “The Act” shall mean the Local Government: Municipal Systems Act, 2000;
 - 2.2.2. “The By-law” shall mean the Municipality’s By-law which must be adopted to pursuant to Section 98 of the Act to give effect to this policy;
 - 2.2.3. “Customer care officials” shall mean the Customer Care Customer care officials establish in accordance with this policy;
 - 2.2.4. “Council” shall mean the Council of the Municipality;
 - 2.2.5. “Customer” shall mean any person to whom the Municipality supplies services.
 - 2.2.6. “The Executive Mayor” shall mean the Executive Mayor of the Municipality;
 - 2.2.7. “The Municipal Manager and or Delegated Manager” shall mean the Municipal Manager and or Chief Financial Officer of the Municipality.

3. Supervisory Authority

- 3.1. As provided by section 99 of the Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring :
 - 3.1.1. The implementation and enforcement of this policy and the by-law;
 - 3.1.2. The performance of the Municipal Manager and or Chief Financial Officer in implementing this policy and the by-law.

3.2. The Executive Mayor shall at least once a year cause an evaluation or review of this policy and the by-law to be performed, in order to improve the efficiency of the municipality's credit control and debt collection mechanisms, processes and procedures, as well as the implementation of this policy.

3.3. The Executive Mayor shall submit a report to Council regarding the implementation of this policy at such intervals as Council may determine.

4. Implementing Authority

4.1. As contemplated in Section 100 of the Act, the Municipal Manager and or Delegated Manager:

- 4.1.1. Is responsible for implementing and enforcing this policy and the by-law;
- 4.1.2. Is accountable to the Executive Mayor for the enforcement of this policy and shall submit a report to the Executive Mayor regarding the implementation and enforcement of the policy at such intervals as may be determined by Council;
- 4.1.3. Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the municipality.

4.2. In addition, the Municipal Manager and or Chief Financial Officer shall:

- 4.2.1. Where necessary, make recommendations to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures;
- 4.2.2. Establish effective communication between the municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders;
- 4.2.3. Establish customer service customer care officials located in such communities as determined by the Municipal Manager and or Delegated Manager.

4.3. The Municipal Manager and or Chief Financial Officer may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of this policy or the by-law to the Chief Financial Officer.

4.4. A delegation in terms of 4.3 :

- 4.4.1. Is subject to any limitations or conditions that the Municipal Manager and or Chief Financial Officer may impose;
- 4.4.2. May authorise the Chief Financial Officer to sub-delegate in writing duties and responsibilities to the Manager: Treasury Services.
- 4.4.3. Does not divest the Municipal Manager and or Chief Financial Officer of the responsibility concerning the exercise of the delegated power.

4.5. The Municipal Manager and or Chief Financial Officer shall report monthly to the executive mayor and quarterly to the council on the actions taken in terms of the by-law and on the payment levels for the periods concerned.

4.6. Such reports shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors who could reasonably be interpreted as constituting interference in the application of the by-law.

4.7. It is incumbent on all the officials of the municipality to promote and support both this policy and the application of the by-law. The responsibilities of all officials include reporting to the Municipal Manager and or Chief Financial Officer any evident breaches of the by-law, whether by members of the community, other officials or councillors of the municipality.

5. Customer Care and Management

Customer care and management shall be carried out in accordance with the provisions of 6 to 12.

6. Customer/ Client/ Credit Control Care officials

6.1. The Municipality shall establish a Customer/ Client/ Credit Care officials whose general function shall be to create a positive and reciprocal relationship between the persons liable for payments and the municipality.

6.2. In particular, these officials shall:

- 6.2.1. Serve as the conduit for receiving feedback regarding the quality of services, and to this end, shall receive, process, analyse and report to the Municipal Manager and or Chief Financial Officer on such feedback;
- 6.2.2. Provide information to customers on the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from services are utilised;
- 6.2.3. Serve as the point at which queries regarding accounts may be submitted and shall deal with such queries;
- 6.2.4. Serve as the point at which complaints may be submitted, and shall respond to such complaints.

6.3. The Municipality shall ensure that the officials are adequately staffed and funded, and that appropriate provision is made for it in the Municipality's budget and staff establishment.

6.4. The officials shall be housed in an appropriate location in each municipal town and shall be properly equipped to deal with the matters referred to in 5.2 telephonically, by mail, e-mail and directly with the public.

7. Communications

The Municipality shall promote communications and feedback channels as follows:

- 7.1. This policy or relevant extracts thereof will be available in any two of the official languages;
- 7.2. Copies of this policy may be obtained from the Municipality at a cost determined by the Council from time to time and will be made available by general publication and on specific request, and will also be available for perusal at Council's offices and the official web site.
- 7.3. The municipality will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt collection issues.
- 7.4. Ward councillors will be required to hold regular ward meetings, at which customer care and debt collection issues will be given prominence.
- 7.5. The press will be encouraged to give prominence to Council's customer care and debt collection issues, and will be invited to Council or Committee meetings where these are discussed.
- 7.6. In particular, the mechanisms referred to in 7.3, 7.4 and 7.5 shall be used to convey to customers information relating to the costs involved in service provision, and how funds received for the payment of services are utilised, and may where necessary employ the services of local media to convey such information.

8. Metering

- 8.1. Where meters are provided for the measuring of the consumption of services, the Municipality will endeavour to ensure that they are read monthly, and as close to the same date as is practical in each month.
- 8.2. The municipality shall ensure that meters accurately record consumption.
- 8.3. If a meter is not read in any month, the municipality will estimate the consumption for the month in question, and to that end, where possible, it will base its estimate on the average consumption for the three preceding months. The next account based on an actual reading shall reflect any adjustments that need to be made to provide for any excess amount or shortfall in the estimated account.
- 8.4. Customers may request verification of meter readings.

9. Accounts and Billing

- 9.1. Customers will receive accounts on a monthly basis for services supplied and for rates.
- 9.2. If all the services are supplied to, and the rates are payable by, a single person at the premises, then the account may be consolidated for all such services.
- 9.3. All accounts shall reflect how the amount thereof is made up and calculated, and shall include, where applicable, an indication of the units consumed.
- 9.4. Accounts shall be understandable and accurate.
- 9.5. The due date for payment shall be indicated on each account.

9.6. Accounts shall be sent to the address of the consumer last recorded with the Municipality.

10. Queries and appeals

10.1. A customer who believes that any account incorrectly reflects the amount owed by him or her may lodge a query regarding such account with the customer/ client/ credit control officials in the Treasury Department or with the Manager Treasury.

10.2. Such query must be in writing and must specify the nature of the query and the manner in and extent to which the customer believes the amount stated in the account differs from that actually owed, and the basis for such belief.

10.3. The administration shall endeavour to resolve the query within 10 working days.

10.4. Pending resolution of the query, the customer shall nonetheless be liable to pay, on or before the due date for payment of the account in question, an amount equal to average of the amounts payable in respect of the three months preceding the month of the account in question. Any excess payment or shortfall made in terms hereof shall be adjusted and provided for in the next account.

10.5. For purposes of resolving the query, the customer care officials must diligently make all necessary inquiries with the relevant departments, and in accordance with the information obtained in the course of such inquiries, shall determine the amount actually payable and shall either:

10.6.

10.6.1. Confirm the amount stated in the account; or

10.6.2. Accede to the customer's query and adjust the account according to the amount claimed by the customer; or

10.6.3. Partially accede to the customer's query and adjust the account by a different amount.

- 10.7. Should the customer not be satisfied with the determination of the delegated officials and or manager, he or she may appeal to the Municipal Manager and or Chief Financial Officer against such determination.
- 10.8. Such appeal must be made in writing and lodged with the municipality within 21 (twenty-one) days after the notification of the administration's determination, and must:
- 10.8.1. Set out the reasons for the appeal.
 - 10.8.2. Be accompanied by any security determined for the testing of a measuring device, if applicable.
- 10.9. Upon receipt of the appeal, the Municipal Manager and or Chief Financial Officer shall make such inquiries as he or she considers necessary and endeavour to determine the amount actually owed within 10 days of the appeal being made.
- 10.10. In accordance with such determination the Municipal Manager and or Chief Financial Officer shall:
- 10.11. Confirm the amount stated in the account; or
- 10.11.1. Accede to the customer's appeal and adjust the account according to the amount claimed by the customer; or
 - 10.11.2. Partially accede to the customer's appeal and adjust the account by a different amount.
- 10.12. The determination of the Municipal Manager and or Chief Financial Officer shall be final and binding, subject, however, to the outcome of any court proceedings instituted by or against the customer in respect of the disputed amount.
- 10.13. The customer shall be notified in writing of any determination of the customer care officials or the Municipal Manager and or Delegated Manager.

11. Service Complaints

- 11.1. Should a customer have any complaint about any service rendered by the Municipality, he or she may lodge such complaint in writing, setting out full particulars of the complaint with the Customer/ Client/ Credit control officials.
- 11.2. The officials shall investigate the matter and if it finds that the complaint is justified, shall propose such remedial action as in the circumstances is reasonable and practical to apply.
- 11.3. Such remedial action shall, however, be ratified by the Chief Financial Officer and or Manager Treasury before it is implemented.
- 11.4. The response time and efficiency in dealing with any complaint shall be monitored by the Manager Treasury.
- 11.5. Every effort must be made to resolve any complaint in the shortest possible time.
- 11.6. The customer shall be notified in writing of the outcome of any investigation and any remedial action ratified by the Municipal Manager and or Chief Financial Officer and or Treasury manager.

12. Payment Facilities

- 12.1. The Municipality shall establish accessible pay points and other mechanisms for settling accounts.
- 12.2. Such pay points and mechanisms may include:
 - 12.2.1. Cashier desks at the Municipality's offices;
 - 12.2.2. Postal payment facilities;
 - 12.2.3. On-line payment facilities;
 - 12.2.4. Direct deposit facilities;
 - 12.2.5. Third - party payment facilities.

12.3. The municipality may in terms of section 103 of Act:

12.3.1. with the consent of a customer approach an employer to secure a debit or stop order arrangement to deduct any amount owed from that persons salary; and

12.3.2. Provide for special incentives as contemplated in section 103 of the Systems Act.

13. Targets

The municipality shall endeavour to achieve the targets set out in Appendix A hereto.

14. INDIGENT DEBTORS

14.1. This policy must be read in conjunction with the municipality's approved indigent policy, which is deemed to be incorporated in and form part of this policy.

14.2. Any debt owing by an indigent debtor, after deduction of the indigent support subsidy, shall be recovered from him or her, in accordance with this policy.

15. Applications for Services and Agreements: All Debtors/ Clients

- 15.1. All applications for the provision of municipal services in respect of any immovable property shall, as from the coming into force of this policy, be made by the owner of the aforesaid property, or by the occupier of the property with the consent of the owner, in writing, and in the prescribed form.
- 15.2. Such form shall contain the terms and conditions for the provision of such services to the customer, and upon such application being accepted by the municipality, such terms and conditions shall become binding as an agreement between the municipality and such applicant.
- 15.3. Prior to signing such form, the applicant shall be entitled to inspect a copy of this policy or to purchase a copy at a price determined according to the Municipality's tariff for copying.
- 15.4. Applications for services shall be processed by the Treasury Department of the Municipality.
- 15.5. Prior to accepting such application, the Municipality shall cause all such investigations into the creditworthiness of the applicant as it deems necessary. The application form referred to above shall provide for the authorisation by the applicant of the Municipality to do so. Only if, after carrying out such investigations, the Municipality is satisfied as to the creditworthiness of the applicant shall it accept such application.
- 15.6. The Municipal Manager and or Delegated Manager, in consultation with the Chief Financial Officer of the Municipality, shall for the purposes of determining the creditworthiness of applicants, establish norms setting out levels of risk which the municipality is prepared to accept in order to be satisfied as to creditworthiness. Such norms may distinguish between different categories of person.

- 15.7. If any application is accepted by the Municipality, the relevant form shall be signed on behalf of the Municipality by the Municipal Manager and or Chief Financial Officer or a member of staff to whom the Municipal Manager and or Chief Financial Officer has delegated the authority to sign.
- 15.8. If any municipal services have been provided prior to the commencement of this policy to any customer other than in terms of a written agreement, then the municipality and the customer must enter into a written agreement for the continued provision of such services by no later than six months after this policy coming into force.

16. Deposits

- 16.1. An applicant for the provision of municipal services shall be required to pay, before municipal services will be provided, a deposit in an amount as provided in the Municipality's tariff of charges. Such tariff may distinguish between different categories of person and may provide different deposits for different categories.
- 16.2. Such deposit may be increased at any time during the period of the provision of the service at the discretion of the Municipality up to a maximum as provided for in the Municipalities' tariff structure for the applicable financial year.
- 16.3. No interest will be payable by the Municipality on any deposits.
- 16.4. If the customer fails to pay any amount due to the Municipality by due date, the Municipality shall be entitled to deduct such amount from the deposit, in which event the Municipality may require the customer to reinstate the deposit to its full amount.
- 16.5. On the termination of the agreement the amount of the deposit, less any outstanding amount due to the municipality, will be refunded to the consumer.

17. Payments

17.1. Every account rendered by the municipality shall be payable on or before the due date appearing on that account.

17.2. Failure on the part of any customer to receive an account shall not absolve that person from the responsibility to pay any account by due date, and every customer shall be responsible, by means of inquiry directed to the Municipality, to ascertain his/her liability in any month.

17.3. Any amount which remains due and payable after the due date shall attract interest.

17.4. Payments may be made at established pay points or by any other established mechanism.

17.5. A payment shall be deemed to be late, unless it is received by the due date:

17.5.1. at a municipal pay point by 15.00; or

17.5.2. in the Municipality's bank account by 16.00 if payment is made by some other mechanism.

17.6. Electronic payments or payments made via duly authorised agents must:

17.6.1. Clearly indicate the details of the customer on behalf of whom the payment is made; and.

17.6.2. Must be accompanied by the relevant account numbers.

18. Arrangements to Pay

18.1. Upon good cause shown, the Municipal Manager and or Chief Financial Officer and or delegated officials may enter into an arrangement with a debtor other than an indigent debtor for:

18.1.1. an extension of time for the payment of an outstanding account, or

18.1.2. Payment of an account by way of instalments.

18.2. A maximum of 12 months or at the discretion of the Chief Financial Officer may be allowed for an extension of time to pay.

- 18.3. An arrangement to pay by way of instalments shall provide for payment according to applicable schedules, according to the category of customer and the amount of the debt and according to the discretion of the Chief Financial Officer.
- 18.4. In addition, every such arrangement must provide for the following:
- 18.4.1. an acknowledgement of debt by the customer;
 - 18.4.2. a consent to judgement by the customer;
 - 18.4.3. The payment of interest by the customer;
 - 18.4.4. an acknowledgement by the customer that, if the arrangements are later defaulted on, no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings;
 - 18.4.5. An undertaking by the customer to pay all legal costs.
- 18.5. The terms of any such arrangement shall otherwise be as approved by the Municipal Manager and or Chief Financial Officer.
- 18.6. Every such arrangement shall be recorded as a written agreement, and shall be signed on behalf of the Municipality by the Municipal Manager and or Chief Financial Officer or a person to whom the authority to sign has been delegated by the Municipal Manager.
- 18.7. Any debtor who enters into a *bona fide* arrangement with the municipality for the settlement of arrears and who fails to honour the terms of such arrangement shall not be allowed to enter into any further arrangements with the municipality unless any amount (including all interest and other charges) owing under the first-mentioned arrangement has been fully paid, or if, in the opinion of the Municipal Manager and or Delegated Manager, special circumstances exist which justify the entering into of such further arrangements .
- 18.8. No such arrangement shall be entered into with any National or Provincial Government Department, as these are expected to pay their accounts in full without delay.

18.9. The municipality may require as a condition of any agreement contemplated above that a prepaid system be installed in place of a metering system on the property in question.

19. Restriction or termination of Services

19.1. The municipality may restrict, discontinue or disconnect the supply of water or any other service to any premises, whenever a customer, in respect of a particular service fails to make full payment on the due date, or fails to make an acceptable arrangement for the repayment of any amount for such particular service;

19.2. The Municipal Manager and or Chief Financial Officer shall, where an account has not been paid by the due date, issue a written notice to the account holder stating that unless the arrears relating to such account is paid in full within seven days of the date of such notice, the services concerned may be restricted or discontinued. Such notice may be delivered by hand or post or by any other means to the address of the account holder as indicated in the Municipality's records.

19.3. If the debtor fails to pay the outstanding account within the aforementioned period of seven days then the municipality may restrict or discontinue the supply of the service to the Municipality.

19.4. Nothing contained in this section shall be construed so as to detract from the requirements of section 4(3) of the Water Services Act, 1997.

19.5. The chief financial officer may, in respect of an owner or occupier of a property where the water and or electricity connection has been disconnected at least twice during the preceding period of 12 (twelve) months, give notice of his or her intention to review the amount of the deposit required from that owner or occupier, which reviewed deposit shall not be less than three times the average monthly account calculated over the three immediately preceding months;

19.6. Block of prepaid meters

19.6.1. Debtors, clients with prepaid meters with accounts in arrears more than 60 days may be blocked by the relevant officials in the Treasury Department. The list to be cut/ blocked must be approved by the relevant Manager Treasury or the Chief Financial Officer.

19.7. Alternatively the accounts in arrears may be put on 60/40 principle after approval of the list by the relevant Manager Treasury or the Chief Financial Officer.

20. Reconnection of Services

The Municipal Manager and or Chief Financial Officer shall authorise the reconnection of services or the reinstatement of service delivery, after satisfactory payment, or an arrangement for payment (including the payment of any reconnection charges), has been made by a debtor.

21. Theft and Fraud

21.1. Any person who consumes any services without proper authorisation or who tampers with meters or any reticulation network or any other supply equipment or who without proper authorisation connects or reconnects to municipal services, or commits any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted.

21.2. The Municipality will immediately terminate the supply of services to a customer who commits any such act, and shall not reconnect such supply unless it is satisfied that the customer concerned shall not continue such conduct and until it is compensated for all loss or damage arising from such conduct. The Municipality may in such circumstances increase any deposit payable by such customer.

22. Institution of Legal and Other Proceedings

22.1. If a debtor has failed to pay by due date any amount owing to the municipality, whether in respect of water or any other services or any other cause, including the interest raised on such account, or has not made an acceptable arrangement with the Municipal Manager and or Chief Financial Officer for the payment of the arrear account, including the interest raised on such account, then proceedings for the recovery of the amounts owing shall be instituted unless the cost of such collection and the prospects of recovery in relation to the amount of the arrears concerned would render such action non-cost-effective.

22.2. Such proceedings may include but need not be limited to:

22.2.1. the making of a written demand;

22.2.2. the handing over of any claim to collection or debt recovery agents;

22.2.3. the institution of proceedings out of the appropriate court, and

22.2.4. if necessary, pursuant to proceedings contemplated above, the sale in execution of property to recover arrear any amount owing (if the accountholder is also the owner of the property).

22.3. The Municipal Manager and or Chief Financial Officer shall determine the nature and extent of proceedings to be instituted in any particular case, subject to the requirements that all action as may necessary to recover the amount outstanding must be taken, provided that such action is cost –effective.

22.4. Such proceedings must, subject to the requirements of any law, be commenced as soon as possible.

22.5. All legal expenses incurred by the municipality shall be for the account of the defaulting debtor.

22.6.If attorneys are to be instructed to institute proceedings on behalf of the Municipality, the Municipal Manager and or Chief Financial Officer a person authorised thereto by the Municipal Manager and or Chief Financial Officer may instruct such attorneys to do so.

22.7.If the Municipal Manager and or Chief Financial Officer is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost -effective, the Municipal Manager and or Chief Financial Officer may recommend to the Council that such action be not commenced, or be discontinued or terminated.

22.8.The institution of any proceedings shall be subject to the provisions of the National Credit Act, 2005.

23. Allocation of Part- Payments

If a debtor pays only part of any municipal account due, the Municipal Manager and or Chief Financial Officer shall, notwithstanding any instructions to the contrary given by the debtor, allocate such payment as follows:

23.1.first, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned ;

23.2.second, to any unpaid interest raised on the account;

23.3.third, to rates and

23.4.Fourth, to outstanding/ arrears services.

24. Dishonoured Cheques

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the Municipal Manager and or Chief Financial Officer shall, in addition to taking the steps contemplated in this policy against defaulting accountholders, charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated above.

25. Uncollectable Arrears

25.1. It is recognised that it may be impractical or impossible to recover certain debts.

25.2. The Municipal Manager and or Chief Financial Officer shall as soon as possible after each quarter present to the council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.

25.3. The council shall then approve the write off of such arrears, on an annual basis if it is satisfied with the reasons provided. The write off of arrears will be according to the Write off Policy of council.

26. Interest on Outstanding Debts

26.1. All outstanding accounts of a debtor that are not paid by due date shall attract interest at a rate to be determined by resolution of the council.

26.2. Interest shall be calculated on a monthly basis.

26.3. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges shall be taken into account.

27. Review of Tariffs, etc

In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned

27.1. charges for disconnection or restriction of services;

27.2. charges for reconnection or reinstatement of services;

27.3. charges for notices of default;

27.4. penalty charges for dishonoured cheques;

27.5. service deposits;

27.6. Any other applicable charges such as tampering fees;

27.7. Rate of interest.

28. Tenders

28.1. The Municipality may require any person tendering for the supply of goods or services to the Municipality to produce a certificate issued by the Chief Financial Officer of the Municipality stating that the said person maintains regular payments on all his or her accounts.

28.2. Where a person fails to provide such certificate, the municipality may recover any outstanding amounts owed for service charges, by way of deductions from all monies due and owing to such person and arising from a tender awarded to or contract concluded with the said person.

28.3. In the application of this section, the municipality shall interpret the provisions hereof so as to be consistent with the principles and contents of its supply chain management policy.

29. Power of entry and inspection

29.1. For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorised representative of the municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary:

29.1.1. with regard to the installation or repair of any meter or service connection or reticulation; or

29.1.2. so as to limit, discontinue, disconnect or reconnect the provision of any service.

29.2. If the municipality considers it necessary that work be performed to enable the authorised representative to perform a function as aforesaid properly and effectively, then it may –

29.2.1. by written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or

29.2.2. If, in its reasonable opinion, the situation is a matter of urgency, then the municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

30. Procedures and Forms

The Municipal Manager and or Chief Financial Officer may prescribe:

30.1. Procedures, which shall not be inconsistent with this policy, for the purpose of implementing this policy;

30.2. Forms which are required of the purpose of any application made in terms of this policy or which are otherwise required for implementing this policy.

31. National Credit Act

This policy must be interpreted and applied in accordance with and subject to the requirements of the National Credit Act, 2005.

32. Commencement

This policy shall come into force on 1st of July 2018.

Appendix A

CUSTOMER SERVICE TARGETS

- | | |
|--|---|
| (i) Response time to customer queries: | - Initial response within 10 working days. |
| (ii) Resolution of Queries: | - 10 working days to resolve queries and appeals. |
| (iii) Date of first account delivery of new customers: | - By second billing cycle after date of application or occupation which even is the latest. |
| (iv) Reconnection time: | - within 24 hours after appropriate payment / arrangement. |
| (v) Meter reading cycle: | - 95% of meters being read on monthly basis on a similar date with a maximum of 3 consecutive months estimated. |

ADMINISTRATIVE PERFORMANCE TARGETS

- | | |
|--|---|
| (i) Cost efficiency of debt collection : | <ul style="list-style-type: none">- Cost of collection not to exceed the capital debt amount;- All reasonable steps to be taken to limit cost to Council or the customer;- Cost of collection is to be recovered from the defaulting customers;- Total cost of collection to be recovered by means of applicable credit control tariffs. |
| (ii) Enforcement mechanism ratios : | <ul style="list-style-type: none">- 95% of total number of arrear customers being successfully notified / disconnected; |

CEDERBERG LOCAL MUNICIPALITY



PROPERTY RATES BY-LAW

2018

To give effect to Property Rates Policy

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CEDERBERG LOCAL MUNICIPALITY PROPERTY RATES BY-LAW

Whereas section 156 (2) of the Constitution empowers a municipality to make and administer by-laws for the effective administration of matters which it has the right to administer and Whereas section 6 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) requires a municipality to adopt By-Laws to give effect to the implementation of its Property Rates Policy.

Now therefore the Municipal Council of **Cederberg Local Municipality** approves and adopts the following Property Rates By-Law.

1. Definitions:

For the purpose of this by-law any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and the Property Rates Policy adopted and implemented in terms thereof shall bear the same meaning in this By-law, and unless the context indicates otherwise-

“**Act**” means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

“**Municipality**” means the municipal council for the **municipal area of Cederberg**

“**Rates policy**” means the policy adopted and implemented by the council in terms of section 3 of the act.

In terms of Section 229 of the constitution, a municipality may impose rates on property

In terms of section 4(1) of the Local Government: Municipal Systems Act, 2000 (No 32 of 2000, a municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on the property.

In terms of Section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

In terms of section 2(1) Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a metropolitan or local municipality may levy a rate on property in its area in accordance with the other provisions of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004).

This By-Law must be read with and is subject to the provisions of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004), as amended by the Rates Amendment Act, published in the Government Gazette:Vol. 590, No 37922, 18 August 2014 and the Property Rates By-law.

1. Definitions:

For the purpose of this policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and the Property Rates Policy adopted and implemented in terms thereof shall bear the same meaning in this Bylaw, and unless the context indicates otherwise-

“Act” means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

“Municipality” means the municipal council for the **municipal area of Cederberg**

"Private 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 titles and where all the rates related services inter alia for water ,electricity, sewerage and refuse removal inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by residents of such estate.

2. Rating of property:

In terms of section 2(3) of the Act the power of the municipality to levy rates on property is subject to-

- (a) Section 229 and other applicable provisions of the Constitution
- (b) The provisions of the Act
- (c) The municipality's Rates Policy.

3. General principles:

- (1) Rates to balance the operating budget after taking into account the profits generated on trading and economic services and the amounts required to finance the exemptions, rebates and reductions as approved by council are levied as an amount in the Rand based on the market value of all ratable property contained in the municipality's valuation roll.

- (2) Criteria are provided for the determination of categories of property and owners and for the purpose of levying different rates on categories of property and owners.
- (3a) Different rates will be levied for different categories of ratable property determined in terms of section 8 of the Act.
- (3b) Relief measures in respect of payment for rates will not be granted to any category of property or owners on an individual basis, other than by way of an exemption, rebate or reduction.
- (4) All ratepayers with similar properties will be treated the same.
- (5) The financial ability of a person to pay rates will be taken into account.
- (6) Provision may be made for the promotion of local social development and sustainable local government.
- (7) The rate imposed by council will be equitable, affordable, sustainable and cost effective;
- (8) Property rates will be used to finance subsidized and community services only;
- (9) Take into account the effect of rates on the poor.
- (10) The cost and benefit of exemptions, rebates, reductions, and phasing –in of rates must be identified and qualified;
- (11) The effect of rates on public benefit organizations and psi's must be taken into account.
- (12) Promote local and social economic development.

4. Classification of services and expenditure:

- (1) The municipal manager or his/her nominee subject to the guidelines provided by the National Treasury and Executive Mayor or Committee and principles contained in the Rates Policy will classify services, categories expenditure and create cost centers to prevent that property rates subsidize trading and economic services;
- (2) Trading and economic services will be ring-fenced and finance from service charges while community and subsidized service charges will be financed from rates, rates related income and regulatory fees. Surpluses on the trading and economic services may only be transferred to subsidize the community and subsidized services.

5. Categories of properties and owners:

- (1) In terms of section 3(3) of the Act the municipality must determine the criteria for the determination of categories of property and owners for granting exemptions, reductions and rebates and criteria if it levies different rates for different categories of property.
- (2) In terms of sections 8(1) and 15(1) read in conjunction with section 19 of the Act the municipality may exempt a category of owner of property from rates or grant a rebate or reduction in the rates.
- (3) The criteria for categories of property and owners and the different categories of property and owners are reflected in the municipality's Rates Policy and may be adjusted annually, if required, during the budget process.

6. Properties used for multiple purposes:

Rates on properties used for multiple purposes will be levied on properties used for-

- (a) A purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- (b) A purpose corresponding with the dominant (main or primary) use of the property; or
- (c) By apportioning the market value of a property to the different purposes for which the property is used.

The municipality will, in relation with Section 9(1) of the act utilize the dominant use of the property which will be used for multiple purposes being assigned to a property category.

- (d) Applying the relevant cent amount in the rand to the corresponding apportioned market value.

7. Differential rating:

- (1) Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to-
 - (a) The use of the property.
 - (b) Permitted use of the property; or
 - (c) A combination of (a) and (b).
- (2) Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and/or by way of reductions and rebates

8. Criteria for exemptions, reductions and rebates:

Criteria for determining categories of owners of property for the purpose of granting exemptions, rebates and reductions in terms of section 15(2) of the Act will be according to-

- (a) Indigent status of the owner of a property
- (b) Sources of income of the owner of a property
- (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 a determined threshold
- (e) owners temporarily without income
- (f) the services provided to the community by public service organizations
- (g) the need to preserve the cultural heritage of the local community
- (h) the need to encourage the expansion of psi's
- (i) The need to accommodate indigents, less affluent pensioners and people depending on social grants for their livelihood.
- (j) the inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services, they produce
- (k) The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities. ; or
- (l) owners of agricultural properties who are *bona fide* farmers
- (m) The requirements of the Act.

9. Impermissible Rates:

The municipality may not levy rates on categories of property and categories of owners of property as determined in sections 16(1) & 17(1) of the Act.

Section 93A: Transitional arrangement: Public service infrastructure

Rates may not be levied on the following properties referred to in the definition of public service infrastructure:

- (a) Roads
- (b) Water infrastructure
- (e) Rail infrastructure
- (g) airports and the vacant land surrounding it which must be vacant for air navigation purposes
- (h) breakwaters, quays etc

The prohibition on levying rates on the above properties must be **phased out with effect 01st of July 2018**.

10. Exemptions:

Categories of properties:

- (1) Over and above the exemptions provided for in paragraph 9 above, specific categories of property as indicated in the table below are exempted from the payment of rates within the meaning of section 15(1)(a) of the Act and 10(2) to 10(7) of this policy.

Description of category of property	Criteria
Municipal properties	10(2)
Residential properties	10(3)
Cemeteries and Crematoriums	10(4) and 10(9)
Public service infrastructure	As prescribed in the Act
Public Benefit organisations	10(5) and 10(9)
Museums	10(6) and 10(9)
National Monuments	10(7) and 10(9)
A right registered against immovable property	10(8) and 10(9)

(2) Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

(3) All residential properties (including informal settlements) with a market value of less than R 50, 000 are exempted from paying rates. The R 50 000 impermissible rates contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the R 50, 000 amounts. (R15 000 as prescribed, plus additional R35 000 as allowed by Council)

This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty

(4) Cemeteries registered in the names of private persons and operated not for gain.

(5) Public benefit organizations as provided for in the Rates Policy may apply for the exemption of property rates subject to producing 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):

(6) Registered Museums

(7) Registered National monuments

(8) A right registered in the deeds office against immovable property

(9) Exemptions will be subject to the following conditions:

- (a) All applications must be 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 June preceding the start of the new municipal financial year for which relief is sought; and
- (f) The municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

11. Rebates:**(1) Categories of properties**

- (a) The municipality may grant rebates within the meaning of section 15(1) (b) of the Act on the rates to the owners of the following categories of properties and subject to the criteria and conditions contained in 11(1)(b) to 11(1)(f) of this policy:

Description of category of property	Criteria
(a) Residential	11(1)(d)
(b) Industrial	11(1)(b)
(c) Business/commercial	11(1)(b)
(d) Agricultural	11(1)(e)
(e) properties owned by organ of state and used for public service purposes	11(1)(c)
(f) Property below a prescribed valuation level	11(1)(f)

- (b) The municipality may grant rebates to ratable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy.

- i. The following criteria will apply:
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.
- ii. Rebates will be granted on application subject to:
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - d. a municipal resolution.

- (c) Properties owned by an organ of state and used for public service purposes which are:
 - i. Hospitals and clinics;
 - ii. Schools, pre-schools, early childhood development centres or further education and training colleges;
 - iii. National and provincial libraries and archives;
 - iv. Police stations;
 - v. Correctional facilities; or
 - vi. Courts of law, but excludes property contemplated in the definition of "public service infrastructure".
- (d) Residential properties
 - 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,
 - iv. A ratable residence on property used for or related to educational purposes
- (e) Agricultural property rebate
 - i. Agricultural properties will be granted a rebate based on certain applicable information in an affidavit by 30 June each year.
 - ii. Qualifying requirements are that the owner should be taxed by SARS as a **bona fide** farmer and the last tax assessment must be provided as proof.
 - iii. The following rebates may apply:
 - 1.25 Ratio (Residential to Agriculture)
- (f) Properties with a market value below a prescribed valuation level may, instead of a rate determined on the market value, be levied a uniform fixed amount per property.

(2) Categories of owners:

(a) The following categories of owners of ratable properties may be granted a rebate on rates within the municipality within the meaning of section 15(1) (b) of the Act:

Description of Category of Owners	Criteria
Retired and disabled persons	11(2)(b)
Owners temporarily without income	11(2) (c)
Public benefit organizations	11(2) (d)

(b) Criteria for granting rebates to category of owners**i. Retired and Disabled Persons Rate Rebate**

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 Welfare and Population Development;
- c. Be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding the amount annually set by the council.
- d. not be the owner of more than one property; and
- d. Provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.**iii. Applications must be accompanied by-**

- a. a certified copy of the identity document or any other proof of the owners 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.

- iv. These applications must reach the municipality before the end of June preceding the start of the new municipal financial year for which relief is sought.
- v. The municipality retains the right to refuse rebates if the details supplied in the application form are incomplete or incorrect or false.

(c) Owners who are temporarily without income due to Economic/labour circumstances or for reasons beyond their control.

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

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

- Owners of ratable property registered in the name of institutions or organizations, which in the opinion of the council, performs welfare, charitable and humanitarian work;
- cultural work; amateur sport and social activities;
- protect or maintain collections or buildings of historical or cultural interest, including art galleries, archives and libraries;
- conservation; environment and animal welfare; education and development; health care;
- agricultural (Experimental farms);municipal property and usage
- where the council is engaged in land sales transactions which take place after the financial year has started;
- where the municipality register a road reserve or servitude on a privately owned property a pro-rata rebate equal to the value of the reserve or servitude will be given to the owner;
- State hospitals, clinics and institutions for mentally ill persons, which are not performed for gain.

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

The municipality retains the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false;

12. Reductions:**(1) Categories of property and owners**

- (a) A reduction in the rates payable as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is 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
- (b) The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.
- (c) All categories of owners can apply for a reduction in the rates payable as described above.
- (d) Owners of the following categories of ratable property situated within the municipality may be granted a reduction within the meaning of section 15(1) (b) of the Act in the rates payable in respect of their properties and subject to the conditions contained in 12 of this policy:

Description of category of property	Criteria
(a) Residential	12(1)(e)
(b) Industrial	12(1)(e)
(c) Business	12(1)(e)
(d) Agricultural	12(1)(e)
(e) properties owned by organ of state and used for public service purposes	12(1)(e)
(f) Municipal owned properties	12(1)(e)
(g) Public service infrastructure	12(1)(e)
(l) Public benefit organizations (Part 1 of the Ninth Schedule to the Income Tax Act)	12(1)(e)
(m) Multiple purpose property	12(1)(e)
(n) Private towns serviced by the owner	The Municipality grants a rebate of 75%, which applies to privately owned towns, serviced by the owner qualifying as such and as defined in the definition paragraph of this policy, provided an application to that effect is received not later than 30 June of each year.

- (e) Criteria for granting reductions
 - i. A reduction in the rates payable in section 15(1)(b) of the Act will be granted where the value of a property is affected by fire damage, demolition or floods.
 - ii The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

13. Cost of exemptions, rebates & reductions:

The Chief Financial Officer must inform the council of all the costs associated with the exemptions, rebates & reductions.

Provisions must be made in the operating budget for the full potential income associated with property rates, and the full cost of the exemptions, rebates & reductions. A list of all exemptions, rebates & reductions must be tabled before Council.

14. Phasing-in of certain rates:

Rates levied on newly ratable property must be phased in over a three year period, or the period indicated in the Act for certain specified properties, the MEC for Local Government may extend, on written request by the municipality, this period to a maximum of six financial years .When extending the period the MEC must determine the minimum phasing-in discount on the rate payable during each financial year in the extended period.

15. Rates increases:

- (1) The municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (2) Rate increases will be used to finance the increase in operating costs of community and subsidized services.
- (2) Relating to community and subsidized services the following annual adjustments will be made:
 - (a) All salary and wage increases as agreed at the South African Local Government Bargaining Council
 - (b) An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds, and
 - (c) Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.

- (4) Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an increase in property rates.
- (5) Affordability of rates to ratepayers.
- (6) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

16. Notification of rates:

(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.

(2) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be advertised in the media and the resolution will be displayed by the municipality at places provide for in legislation and the municipality's website and also promulgated in terms of and in accordance with section 14 of the Act.

17. Payment of rates:

- (1) Ratepayers may, by special written arrangements with the Council, choose to pay rates annually in one installment on or before 30 June, normally the rates will be payable in twelve equal installments on or before the tenth day of the month following on the month in which it becomes payable.
- (2) The municipality must furnish each person liable for rates with a detailed account as set out in section 27 of the Act.
- (3) Interest on arrears rates, whether payable on or before 30 September or in equal monthly installments, shall be calculated in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policy of the municipality.
- (4) If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policy of the Municipality.

- (5) Joint owners are jointly and severally liable for the amount due for rates. In the case of agricultural property the rates due will be recovered as stipulated in the council's Rates Policy
- (6) Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- (7) 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.
- (8) 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.

18. Deferral of payment of rates liabilities:

The municipality will consider each application for deferral of rates, taking into account the merits and demerits of each and the financial implications thereof in so far the cash-flow of the municipality is concerned.

19. Special rating area:

The municipality may by council resolution, after consultation with the local community to obtain the majority's consent, determine an area within its boundaries as a special rating area for the purpose of raising funds for improving or upgrading that area; and differentiate between categories of property when levying an additional rate.

The municipality must determine the boundaries and indicate how the area is to be improved by the additional rates and establish a separate accounting and record-keeping system regarding the income & expenditure. The municipality may establish a committee representing the community to act as a consultative and advisory forum. Representation, including gender must be taken into account when establishing such a committee.

20. Supplementary Valuation Debits:

In the event that a property has been transferred to a new owner and an Supplementary Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for the outstanding amount due for rates.

21. Ownership:

Properties which vests in the municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the municipality. Until such time, rates levied will be for the account of the developer;

22. Rates Clearance Certificate:**Rates Clearance Certificate and Rates Refunds**

All monies collected by the Municipality including in respect of Special Rating Areas (including City Improvement Districts) and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1) (a) of the Systems or Section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- all amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act;
- developer's contributions will be due and payable before any rates Clearance certificate is issued on new erven developments;
- in the case of new sectional title developments payment of developers contribution will be due before services will be connected;
- no interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due; and
- all payments will be allocated to the registered seller's municipal accounts and all refunds will be made to the transferring attorney;
- **refunds will only be issued on written request or application for refund of the transferring attorney;**
- **Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.**

- **Refunds will not be issued if the services have not been connected on the new owner and the deed confirming new ownership is received. Outstanding services of tenants may only be recovered for a maximum period of two years if a request is lodged for a Section 118 (1) of the Municipal Systems Act (32 of 2000) Clearance Certificate. If this is done the conveyancer as well as the buyer of the property must be informed that the remaining debt will remain on the property according to subsection 3, the buyer will then be held responsible for it.**
- The clearance certificate will only be valid for 60 days;
- Extension on a clearance certificate will be granted, if all services is paid in advance for another 60 days;

23. Sectional Title Schemes:

A rate on property which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme.

24. General and Supplementary valuations:

A municipality intending to levy a rate on property must cause a general valuation based on the market value of the property to be made on all properties, and prepare a valuation roll in terms of such valuation. The municipality shall prepare a new general valuation roll of all properties every (5) five years and a supplementary valuation roll annually.

If the municipality does not intend to levy rates on its own properties, public infrastructure in the name of the municipality, on rights in properties and properties of which it is impossible or unreasonably difficult to establish the market value because of legal insecure tenure resulting from past racial discrimination, the municipality is not obliged to value such property.

The General valuation roll takes effect from the start of the financial year following completion of the public inspection period and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than 5 (five) financial years.

The Supplementary Valuation roll remains valid for the duration of the current general valuation roll.

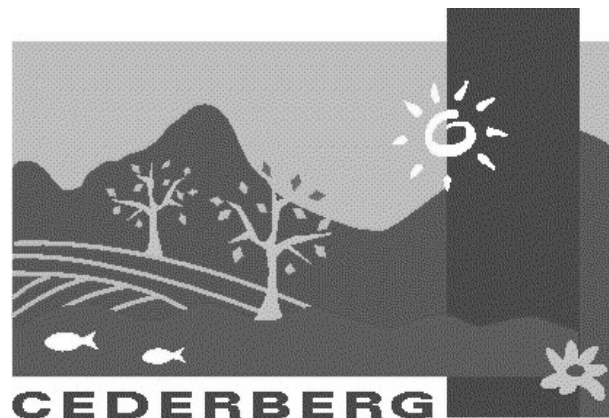
25 Disregarded items for valuation purposes:

The items described in section 45(3) of the Act must not be taken into account in determining the market value of the property.

26. Short title:

This by-law is the Property Rates By-Law of the Cederberg Local Municipality.

CEDERBERG LOCAL MUNICIPALITY



PROPERTY RATES POLICY

REVIEWED

MARCH
2018

IMPLEMENTED JULY 2018

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CEDERBERG LOCAL MUNICIPALITY

PROPERTY RATES POLICY

1. BACKGROUND

This Policy is formulated in terms of Section 3 of the Local Government Municipal Property Rates Act, (Act 6 of 2004) as amended. In 2015 Cederberg Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the Municipality in terms of this Act and has been effective as from 1 July 2016.

Date of valuation = 1 July 2015

Date of implementation = 1 July 2016

2. LEGISLATIVE CONTEXT

2.1 In terms of Section 229 of the Constitution, a Municipality may impose property rates on property.

2.2 In terms of Section 4(1) (c) of the Municipal Systems Act, (Act no.32 of 2000), a Municipality has the right to finance the affairs of the Municipality by imposing, inter alia, property rates on property.

2.3 In terms of Section 2(1) of the Municipal Property Rates Act, (Act No. 6 of 2004) as amended, a local Municipality may levy a rate on property in its area in accordance with the other provisions of this Act. Herein after referred to as the MPRAA.

2.4 This Policy must be read together with, and is subject to the provisions of the Municipal Property Rates Act and the Property Rates By-Law.

2.5 In terms of Section 8(1) of the Municipal Property Rates Act (MPRAA), the Municipality is levying property rates on the use of the property as determined on the valuation roll in terms of Section 48 of this Act.

Now therefore the Municipal Council of **Cederberg Local Municipality** approves and adopts the following Property Rates Policy.

3. Definitions:

For the purpose of this policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended and the Property Rates Policy adopted and implemented in terms thereof shall bear the same meaning in this policy, and unless the context indicates otherwise-

“Act” means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended.

“Municipality” means the municipal council for the **municipal area of Cederberg**.

“Rates policy” means the policy adopted and implemented by the council in terms of section 3 of the act.

In terms of Section 229 of the constitution, a municipality may impose rates on property.

In terms of section 4(1) of the Local Government: Municipal Systems Act, 2000 (No 32 of 2000, a municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on the property.

In terms of Section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

In terms of section 2(1) Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a metropolitan or local municipality may levy a rate on property in its area in accordance with the other provisions of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) as amended.

“Private 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 titles and where all the rates related services inter alia for water ,electricity, sewerage and refuse removal inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by residents of such estate.

- Further to the application the Body Corporate constitution and or registration number with relevant authorities is also required.

4. Rating of property:

In terms of section 2(3) of the Act the power of the municipality to levy rates on property is subject to-

- (a) Section 229 and other applicable provisions of the Constitution
- (b) The provisions of the Act.
- (c) The municipality's Rates Policy.

5. General principles:

1. Rates to balance the operating budget after taking into account the profits generated on trading and economic services and the amounts required to finance the exemptions, rebates and reductions as approved by council are levied as an amount in the Rand based on the market value of all ratable property contained in the municipality's valuation roll.
2. Criteria are provided for the determination of categories of property and owners and for the purpose of levying different rates on categories of property and owners.
3. Different rates will be levied for different categories of ratable property determined in terms of section 8 of the Act.
4. Relief measures in respect of payment for rates will not be granted to any category of property or owners on an individual basis.
5. All ratepayers with similar properties will be treated the same.
6. The financial ability of a person to pay rates will be taken into account, and with reference to the Indigent Policy will determine the financial ability.
7. Provision may be made for the promotion of local social development and sustainable local government.
8. The rate imposed by council will be equitable, affordable, and sustainable.
9. Property rates will be used to finance community services only or as prescribed in the MFMA act 56, 2003.
10. Take into account the effect of rates on the poor.
11. The cost and benefit of exemptions, rebates, reductions, and phasing –in of rates must be identified and qualified.

12. The effect of rates on public benefit organizations and psi's must be taken into account;
13. Promote local and social economic development.

6. Classification of services and expenditure:

- (1) The municipal manager or his/her nominee subject to the guidelines provided by the National Treasury and Executive Mayor or Committee and principles contained in the Rates Policy will classify services, categories, expenditure and create cost centers to prevent that property rates subsidize trading and economic services.
- (2) Trading and economic services will be ring-fenced and financed from service charges while community and subsidized services will be financed from rates, rates related income and regulatory fees. Surpluses on the trading and economic services may be transferred to subsidize the community and subsidized services.

7. Categories of properties and owners:

- (1) In terms of section 3(3) of the Act the municipality must determine the criteria for the determination of categories of property and owners for granting exemptions, reductions and rebates and criteria if it levies different rates for different categories of property.
- (2) In terms of sections 8(1) and 15(1) read in conjunction with section 19 of the Act the municipality may exempt a category of owner of property from rates or grant a rebate or reduction in the rates.

8. Properties used for multiple purposes:

Rates on properties used for multiple purposes will be levied on properties used for-

- (a) **A purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;**
- (b) A purpose corresponding with the dominant (main or primary) use of the property; or
- (c) **By apportioning the market value of a property to the different purposes for which the property is used.**

- (d) Applying the relevant cent amount in the rand to the corresponding apportioned market value and assigned category.

9. Differential rating:

- (1) Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to-
 - (a) The use of the property.
 - (b) Permitted use of the property; or
 - (c) A combination of (a) and (b).

Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and/or by way of reductions and rebates.

10. Criteria for exemptions, reductions and rebates:

Criteria for determining categories of owners of property for the purpose of granting exemptions, rebates and reductions in terms of section 15(2) of the Act will be according to-

- (a) Indigent status of the owner of a property;
- (b) Sources of income of the owner of a property;
- (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) All Owners of improved residential properties with a market value below a determined threshold of R50 000.
- (e) The services provided to the community by public service organizations.
- (f) The need to preserve the cultural heritage of the local community.
- (g) The need to encourage the expansion of psi's.
- (h) The need to accommodate indigents, less affluent pensioners and people depending on social grants for their livelihood.
- (i) the inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services, they produce.

- (j) Registered owners of Residential Properties who are pensioners qualify for special rebates according to gross monthly household income of all persons permanently residing on that property. To qualify for the rebate a property owner must be a natural person and the registered owner of a property which satisfies the requirements of the definition of Residential Property.
- This property owner must on 1 July of each financial year: occupy the property as his/her Primary Residence, and be at least 60 years of age, or has been declared medically unfit even if not yet 60 years of age, and be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budget process.
- (k) The requirements of the Act.

11. Impermissible Rates:

The municipality may not levy rates on categories of property and categories of owners of property as determined in sections 16(1) & 17(1) of the Act.

Section 93 A: Transitional arrangement: Public service infrastructure

Rates may not be levied on the following properties referred to in the definition of public service infrastructure:

- (a) Roads
 - (b) Water infrastructure
 - (e) Rail infrastructure
 - (g) National and provincial airports and the vacant land surrounding it which must be vacant for air navigation purposes.
 - (h) Breakwaters, quays etc.
- Places of Worship, Churches and one main residential property where the full-time pastor or reverend resides, as being the property registered in the name of the church.
 - A place of worship, official residence must be registered as a religious group or property as defined by the Act 6 of 2004.

The prohibition on levying rates on the above properties must be **phased out with effect 01st of July 2018.**

12. Exemptions, reductions and rebates:

Categories of properties:

- (1) Over and above the exemptions provided for in paragraph 9 above, specific categories of property as indicated in the table below are exempted from the payment of rates within the meaning of section 15(1)(a) of the Act and section 10 of this policy.

EXEMPTIONS CATEGORY

Description of category of property	Criteria	% Exemption
Municipal properties	Excluded from rates(sect.7.2.a)	100%
Cemeteries		100%
Public service infrastructure (PSI)	As prescribed in the Act (see definitions)	100%
Registered Public Benefit organisations	As prescribed in the Act (see definitions)	100%
Registered Museums	As prescribed in the Act (see definitions)	100%
Registered National Monuments	As prescribed in the Act (see definitions)	100%
A right registered against immovable property	As prescribed in the Act (see definitions)	100%
Registered Old Age Homes	As registered	100%
Protected Areas/ Nature Reserves	As prescribed in the Act (see definitions)	100%

REBATE CATEGORY

The municipality may grant rebates within the meaning of section 15(1) (b) of the Act on the rates to the owners of the following categories of properties.

Description of category of property	Criteria	% Rebate
Self-Sustainable towns without municipal services outside municipal towns at Residential Rate. (No R50k Discount) As per application.(Doorsprong, Soopjeshoogte, Bulshoek, Cedar Lake Development)	Section 3 of policy	75% (Rebate)
Qualifying requirements are that the owner should be taxed by SARS as a <i>bona fide</i> farmer and the last tax assessment must be provided as proof	Section 10 of policy	1.25 Ratio
Registered owners of Residential Properties who are pensioners qualify for special rebates.	The relevant Tariffs as approved and adopted by Council for the financial year. Reapplication each financial year.	Maximum 40%

This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty. If qualify in terms of the Indigent Policy then no additional rebates will be allocated.

SPECIAL INCENTIVES TO DEVELOPERS:

Rebates will be granted as incentives to Cederberg Mill Mall and phased out over a 6 year period to Investors whom contribute to large capital developments and infrastructure to the Cederberg area. This will be stipulated in a development agreement.

The following rates rebates will be implemented.

Rates and taxes Year 1	100, 00%
Rates and taxes Year 2	100, 00%
Rates and taxes Year 3	100, 00%
Rates and taxes Year 4	100, 00%
Rates and taxes Year 5	100, 00%
Rates and taxes Year 6	95, 00%

Year 7 – fully rateable.

The rate in rand, as well as the rebates, will be determined and approved by Council when the budget and tariffs are annually submitted for consideration

Criteria to qualify for Exemptions:

Public benefit organizations, inclusive of Old Age Homes, Museums, National Monuments as provided for in this Rates Policy may apply for the exemption of property rates subject to producing 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):

A) Exemptions will be subject to the following conditions:

- (a) All applications must be 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 June preceding the start of the new municipal financial year for which relief is sought; and
- (f) The municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

Criteria to qualify for Rebates:

1. Flat rebate applicable to all **agricultural properties (To qualify for the AGR category)**. Qualifying requirements are that the owner should be taxed by SARS as a **bona fide** farmer and the last tax assessment must be provided as proof; (AGR is a category with a limit on the ratio of 1 to 0.25 on the tariff)

2. Self-Sustainable towns without municipal services outside municipal towns at Residential Rate. (No R50 k Discount). Refer to section 3 of the policy.

3. The municipality may grant rebates to **enterprises that promote local, social and economic development in its area of jurisdiction**, based on its Local, Social and Economic Development Policy, not on an individual basis.

* The following criteria will apply and be considered:

- A. job creation in the municipal area;
- B. social upliftment of the local community; and
- C. creation of infrastructure for the benefit of the community.

* Rebates will be granted on application subject to:

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

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

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

D. a municipal resolution.

4. Criteria for granting rebates to category of owners:

*** Retired and Disabled Persons Rate Rebate**

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 Welfare and Population Development;

- c. Be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding the amount annually set by the council.
 - d. not be the owner of more than one property; and
 - d. Provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- iii. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners 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.
- iv. These applications must reach the municipality before the end of June preceding the start of the new municipal financial year for which relief is sought.

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

5. Other

- Owners of ratable property registered in the name of institutions or organizations, which in the opinion of the council, performs welfare, charitable and humanitarian work;
- cultural work; amateur sport and social activities;
- protect or maintain collections or buildings of historical or cultural interest, including art galleries, archives and libraries;
- conservation; environment and animal welfare; education and development; health care;
- agricultural (Experimental farms);municipal property and usage
- where the council is engaged in land sales transactions which take place after the financial year has started;

- where the municipality register a road reserve or servitude on a privately owned property a pro-rata rebate equal to the value of the reserve or servitude will be given to the owner;
- State hospitals, clinics and institutions for mentally ill persons, which are not performed for gain.

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

13. Cost of exemptions, rebates & reductions:

The Chief Financial Officer must inform the council of all the costs associated with the exemptions, rebates & reductions.

Provisions must be made in the operating budget for the full potential income associated with property rates, and the full cost of the exemptions, rebates & reductions. A list of all exemptions, rebates & reductions must be tabled before council.

14. Rates increases:

- (1) The municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (2) Rate increases will be used to finance the increase in operating costs of community and subsidized services.
- (2) Relating to community and subsidized services the following annual adjustments will be made:
 - (a) All salary and wage increases as agreed at the South African Local Government Bargaining Council
 - (b) An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds, and
 - (c) Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (4) Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during

a budget review process will be financed by an increase in property rates.

- (5) Affordability of rates to ratepayers.
- (6) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

15. Notification of rates:

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.
2. A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be advertised in the media and the resolution will be displayed by the municipality at places provide for in legislation and the municipality's website and also promulgated in terms of and in accordance with section 14 of the Act.

16. Payment of rates:

Ratepayers may, by special written arrangements with the council, choose to pay rates annually in one installment on or before 30 June, normally the rates will be payable in twelve equal installments on or before the tenth day of the month following on the month in which it becomes payable.

- The municipality must furnish each person liable for rates with a detailed account as set out in section 27 of the Act.
1. Interest on arrears rates, whether payable on or before 30 September or in equal monthly installments, shall be calculated in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policy of the municipality.
 2. If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policy of the Municipality.

3. Joint owners are jointly and severally liable for the amount due for rates. In the case of agricultural property the rates due will be recovered as stipulated in the council's Rates Policy.
4. **Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.**
- 5.a 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.
* refer to Section 78
5. b Supplementary Valuations will be done at least once per year.
6. 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.
17. **Deferral of payment of rates liabilities:**
The municipality will consider each application for deferral of rates, taking into account the merits and demerits of each and the financial implications thereof in so far the cash-flow of the municipality is concerned.
18. **Special rating area:**

The municipality may by council resolution, after consultation with the local community to obtain the majority's consent, determine an area within its boundaries as a special rating area for the purpose of raising funds for improving or upgrading that area; and differentiate between categories of property when levying an additional rate.

The municipality must determine the boundaries and indicate how the area is to be improved by the additional rates and establish a separate accounting and record-keeping system regarding the income & expenditure.

The municipality may establish a committee representing the Community to act as a consultative and advisory forum.

Representivity, including gender must be taken into account when Establishing such a committee.

- Section 22 of ACT.

19. Supplementary Valuation Debits:

In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for the outstanding amount due for rates.

20. Ownership:

Properties which vests in the municipality during developments, i.e open spaces and roads should be transferred at the cost of the developer to the municipality. Until such time, rates levied will be for the account of the developer

21. Rates Clearance Certificate and Rates Refunds

All monies collected by the Municipality including in respect of Special Rating Areas (including City Improvement Districts) and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1) (a) of the Systems or Section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- all amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act;
- developer's contributions will be due and payable before any rates Clearance certificate is issued on new erven developments;
- in the case of new sectional title developments payment of developers contribution will be due before services will be connected;
- no interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due; and
- all payments will be allocated to the registered seller's municipal accounts and all refunds will be made to the transferring attorney;

- **refunds will only be issued on written request or application for refund of the transferring attorney;**
- **Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.**
- **Refunds will not be issued if the services have not been connected on the new owner and the deed confirming new ownership is received. Outstanding services of tenants may only be recovered for a maximum period of two years if a request is lodged for a Section 118 (1) of the Municipal Systems Act (32 of 2000) Clearance Certificate. If this is done the conveyancer as well as the buyer of the property must be informed that the remaining debt will remain on the property according to subsection 3, the buyer will then be held responsible for it.**
- **The clearance certificate will only be valid for 60 days;**
- **Extension on a clearance certificate will be granted, if all services is paid in advance for another 60 days;**

22. Sectional Title Schemes:

A rate on property which is subject to a sectional title scheme will be levied on the individual sectional title units in the scheme.

23. General and Supplementary valuations:

The municipality shall prepare a new general valuation roll of all properties at least every (5) five years and at least one supplementary valuation roll annually; and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than 5 (five) financial years.

The Supplementary Valuation rolls remains valid for the duration of the current general valuation roll.

