

PROVINCE OF THE WESTERN CAPE

# Provincial Gazette Extraordinary

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Monday, 10 June 2019

PROVINSIE WES-KAAP

# Buitengewone Provinsiale Koerant

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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. FIN009 OF 2019**

**Date: 29 May 2019**

**GEORGE MUNICIPALITY**

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

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, that the Council propose by way of a draft Council item number 4.4 that was tabled at a Special Council Meeting held on 29 March 2019 to levy the rates on properties reflected in the schedule below with effect from 1 July 2019.

<b>Category of property</b>	<b>Cent amount in the Rand rate determined for the relevant property category</b>
<b>Residensiële eiendom</b>	<b>1: 0.006773</b>
<b>Besigheid en Kommersiële eiendom</b>	<b>1: 0.009556</b>
<b>Industriële eiendom</b>	<b>1: 0.009556</b>
<b>Landbou- eiendom</b>	<b>1: 0.001693</b>
<b>Mynbou- eiendom</b>	<b>1: 0.009556</b>
<b>Openbare Dienste Infrastruktuur eiendom (Uitfaseer)</b>	<b>1: 0.000169</b>
<b>Openbare Dienste Infrastruktuur eiendom (Normaal)</b>	<b>1: 0.001693</b>
<b>Publieke Voordeel Organisasie eiendom</b>	<b>1: 0.001693 (100% rebate)</b>
<b>Staatseiendom (Publieke Dienste Doel)</b>	<b>1: 0.009556</b>
<b>Vakante eiendom - Residensieel</b>	<b>1: 0.009204</b>

The first R150 000 (R15 000 impermissible plus rebate of R135 000) is deducted from the total valuation before rates are levied for all residential properties.

Full details of the Council resolution and rebates, reductions and exclusions specific to each category of owners of properties or owners of a 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.georgemun.gov.za](http://www.georgemun.gov.za)) and all public libraries.

**TREVOR BOTHA**  
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044 801 9111

**BESLUIT MET BETREKKING TOT DIE HEFFING VAN EIENDOMSBELASTING  
INGEVOLGE ARTIKEL 14 VAN DIE WET OP PLAASLIKE REGERING:  
MUNISIPALE EIENDOMSBELASTING WET, 2004 (WET NO. 6 VAN 2004),**

**Kennisgewingnommer FIN009 VAN 2019**

**Datum: 29 Mei 2019**

**GEORGE MUNISIPALITEIT**

**BESLUIT VIR DIE HEFFING VAN EIENDOMSBELASTING VIR DIE BOEKJAAR  
1 JULIE 2019 TOT 30 JUNIE 2020**

Kennis geskied hiermee ingevolge artikel 14(1) en (2) van die Wet op Munisipale Eiendomsbelasting, Wet 6 van 2004, dat die Raad besluit het per Raadsbesluit nommer 4.3 gedateer 29 Mei 2019, om belasting op eiendomme te hef volgens die onderstaande skedule met ingang van 1 Julie 2019.

<b>Kategorie van eiendom</b>	<b>Sent bedrag in die Rand vasgestel vir die betrokke kategorie eiendom</b>
<b>Residensiële eiendom</b>	<b>1: 0.006773</b>
<b>Besigheid en Kommersiële eiendom</b>	<b>1: 0.009556</b>
<b>Industriële eiendom</b>	<b>1: 0.009556</b>
<b>Landbou- eiendom</b>	<b>1: 0.001693</b>
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<b>Publieke Voordeel Organisasie eiendom</b>	<b>1: 0.001693 (100% korting)</b>
<b>Staatseiendom (Publieke Dienste Doel)</b>	<b>1: 0.009556</b>
<b>Vakante eiendom - Residensieel</b>	<b>1: 0.009204</b>

Die eerste R150 000 (R15 000 ontoelaatbare plus korting van R135 000) word afgetrek van die totale waardasie voordat eiendomsbelasting gehef word vir alle residensiële eiendomme.

Volledige besonderhede van die Raadsbesluit en kortings, vermindering en uitsluitings spesifiek vir elke kategorie van eienaars van eiendomme, of die eienaars van 'n spesifieke kategorie van eiendomme, soos bepaal deur kriteria in die Munisipaliteit se Belastingbeleid is beskikbaar vir inspeksie by die Munisipale kantore, die Munisipale webwerf ([www.georgemun.gov.za](http://www.georgemun.gov.za)) en alle openbare biblioteke.

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# **PROPERTY RATES POLICY**

  

# **GEORGE MUNICIPALITY**



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## **A. INTRODUCTION**

1. A municipality is empowered, in terms of Section 229 of the Constitution of the Republic of South Africa, to impose rates on property. The power of a municipality to do so is regulated by national legislation, the Local Government: Municipal Property Rates Act, 6 of 2004 and the Amendment Act, 29 of 2014 (*the Act*).
2. In terms of the Act, a municipality has the power to levy a rate on property in its area. The Council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality.

## **B. INTERPRETATION**

1. Words not defined in this policy which are defined in the Act bear the meaning assigned to them in the Act.
2. In this policy, the following words bear the meanings assigned to them below:
  - 2.1 **“Accommodation establishment”** means a property which, or part of which, is used for the business of a bed and breakfast establishment, guest house, holiday accommodation, holiday housing, hotel or motel.
  - 2.2 **“Agricultural purpose property”**, means property that is used primarily for commercial farming or subsistence farming including the cultivation of land for crops and other plants, including plantations, the keeping or breeding of animals, including beekeeping, and includes such activities as are reasonably connected with the main farming activities, including the housing of the farmer, farm manager and farm workers, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.
  - 2.3 **“Business purpose”**, in relation to the use of a property, means doing business and includes shops, offices, financial institutions and restaurants and includes such activities as are reasonably connected with the main business activities, but excludes agricultural purposes, industrial purposes and the running of accommodation establishments.
  - 2.4 **“Guest House / Bed and Breakfast”** means a property where 40% or more of the bedrooms are used or available to be used for providing accommodation for temporary visitors at a fee.

- 2.5 **“Gross monthly household income”** means the gross monthly income from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, donations and any other form of financial support or investment income, received by every person residing on the property.
- 2.6 **“Industrial purpose”**, in relation to the use of a property, means operating a factory or other plant in which any article or part of an article is made, manufactured, built, produced, assembled, compiled, printed, ornamented, processed, treated, adapted, repaired, renovated, rebuilt altered, painted, polished, finished, dyed, washed, broken up, disassembled, sorted, packed, chilled, frozen or stored in cold storage, and includes such activities as are reasonably connected with the main industrial activities, but excludes agricultural purposes and business or commercial purposes.
- 2.7 **“Office bearer”**- in relation to places of public worship, means the primary person who officiates at services at that place of worship.
- 2.8 **“Official residence”**, in relation to places of public worship, means:
- (a) a portion of the property used for residential purposes; or
  - (b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.
- 2.9 **“Open Space”**, means property, but specifically land that is used as a park, garden, for passive leisure or maintained in its natural state and which is zoned as open space. These properties may either be publicly owned being commonly open to public access; or privately owned.
- 2.10 **“Owner”**, In relation to a property means:
- (a) a person in whose name ownership of the property is registered; or
  - (b) a person in whose name the right is registered;
    - (i) in relation to a time-sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control

Act, 1983, and published in Government Notice R327 of 24 February 1984;

- (ii) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);
  - (iii) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled.

Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases: -

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (vii) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right;
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer.

2.11 **“Place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium:



Provided that the property is—

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right.

2.12 **“Property”** means:

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure.

2.13 **“Public service infrastructure”** means publicly controlled infrastructure as described in the Act and also includes:

runways, [or] aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes.

2.14 **“Public service purposes”** – in relation to the use of a property, means property owned and used by an organ of state as-

- (a) hospitals or clinics
- (b) schools, pre-schools, early childhood development centres of further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,

but excludes property contemplated in the definition of ‘public service infrastructure’.

2.15 **“Public place”**, means any open or enclosed place, park, street, road or thoroughfare or other similar area of land shown on a general plan or diagram that is used by the general public and is owned by, all vests in the ownership of, a Municipality and includes public open space and a servitude for any similar purpose in favor of the general public.

- 2.16 **“Rate Ratio Regulations”**, in relation to Section 19 of the Act, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties; promulgated in terms of *the Act* published under government notice R195, Government Gazette 33016, on 12 March 2010, with specific reference to agricultural, public service infrastructure and public benefit organisation properties. (pg. 149 of Act)

Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category.

- 2.17 **“Residential property”** means a property included in a valuation roll in terms of Section 48(2)(b) of the Act [as residential] in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Act.
- 2.18 **“vacant property”** means:
- (a) property on which no immovable improvements have been erected; or
  - (b) in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied.
3. To the extent that there is any inconsistency between the Act and this policy, the provisions of the Act prevail.

### **C. PRINCIPLES AND GENERAL CRITERIA**

1. This Property Rates Policy and property rates imposed by the Municipal Council are and shall be based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability and cost efficiency.
2. When levying property rates for each financial year, the Municipal Council shall consider the aggregate burden of property rates and municipal service charges on the ratepayers.
3. Property rates shall be levied as a cent-in the rand based on the property value contained in the Municipality’s general valuation roll and supplementary valuation rolls.
4. The municipality may levy different rates for different categories of property, exempt from property rates specific categories of owners or properties or the owners of specific categories of property or grant rebates

on property rates to specific categories of owners or properties or the owners of specific categories of property. When doing so, the municipality shall apply the guiding principles set out above and the specific criteria set out in relation to each category below.

**D. CATEGORIES OF PROPERTIES AND OWNERS**

1. Subject to Section 8 of the Act, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable property, which must be determined according to the –

- (a) use of the property;
- (b) permitted use of the property; or
- (c) a combination of (a) and (b).

2. A municipality must determine the following categories of rateable property, provided such property category exists within the municipal jurisdiction:

**2.1 Residential properties:**

These are properties included in a valuation roll in terms of Section 48(2)(b) of the Act [as residential] in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Act.

**2.2 Industrial properties:**

These are properties which are used for industrial purposes and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as business properties.

**2.3 Business and Commercial properties:**

These are properties which are used for business or commercial purposes and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as business properties.

**2.4 Agricultural properties:**

These are properties that is used primarily for commercial farming or subsistence farming including the cultivation of land for crops and other plants, including plantations, the keeping or breeding of animals, including beekeeping, and includes such activities as are reasonably connected with the main farming activities, including the housing of the farmer, farm manager and farm workers, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.

#### 2.5 **Mining properties:**

These are properties which are used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

#### 2.6 **Properties owned by an organ of state and used for public service purposes:**

These are properties owned and used by an organ of state as-

- hospitals or clinics
- schools, pre-schools, early childhood development centres of further education and training colleges;
- national and provincial libraries and archives;
- police stations;
- correctional facilities; or
- courts of law.

#### 2.7 **Public Service Infrastructure properties:**

These are properties which are used for purposes of public service infrastructure as described in the Act.

#### 2.8 **Properties owned by public benefit organisations and used for specified public benefit activities:**

These are properties which are owned by public benefit organisations approved by the Commissioner in terms of Section 30(3) of the Income Tax Act, 1962 (Act No. 58 of 1962) and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care) or item 4 (education and development) of part 1 of the Ninth Schedule to that Act.

#### 2.9 **Properties used for multiple purposes:**

These are properties which are used for more than one purpose and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as multiple purpose properties subject to Section 9 of the Act.

#### 2.10 **Properties not liable for property rates:**

These are properties which are described in Section 17(1)(a), (b), (e), (g), (h) and (i) of the Act, i.e. places of public worship, official residence in relation to places of public worship, nature reserves, seashores, etc.

**2.11 Municipal properties:**

These are properties other than those in paragraphs D 2.6 to D 2.7 above which are owned by an organ of state in the local sphere of government, including any municipal entity as defined in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Include municipal creches / educare and properties, with a market value equal to or less than R30 000.00 ~~R20 000~~ where ownership vest with the municipality i.e. public roads, pavements, small corner pieces of land (hoekies en stegies).

**2.12 Vacant Properties:**

These are properties:

- (a) where no immovable improvements have been erected; or
- (b) in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied.

2.13 Any other rateable category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.

**E. CRITERIA TO BE APPLIED BY THE MUNICIPALITY IN RELATION TO CATEGORIES OF PROPERTIES AND OWNERS****1. All residential properties, used for residential purposes**

1.1 The property rate on these properties:

- 1.1.1 shall be the rate that council decided on during the budget process; and
- 1.1.2 shall apply to the market value of these properties reflected in the valuation roll less the first R150 000 of that value.

1.2 The Municipal Council shall grant different rebates/exemptions in respect of these residential properties as determined during the budget process.

**2. All vacant, including rural vacant properties**

2.1 The property rate on these properties:

2.1.1 shall be the rate that council decided on during the budget process; and

2.1.2 shall apply to the market value of these properties reflected in the valuation roll.

2.2 The Municipal Council shall grant different rebates/exemptions in respect of these rural vacant properties as determined during the budget process.

**3. Industrial, Mining, Commercial and Business properties, accommodation establishments, and agricultural properties used for business purposes.**

3.1 The property rate on these properties:

3.1.1 shall be the rate that council decided on during the budget process; and

3.1.2 shall apply to the market value of these properties reflected in the valuation roll.

3.2 The Municipal Council may grant rebates in respect of these properties in accordance with paragraphs (F) and (G) below.

**4. Agricultural properties used for agricultural purposes:**

4.1 The property rate on these properties:

4.1.1 shall be 1:0,25 of the property rate on residential properties; and

4.1.2 shall apply to the market value of these properties reflected in the valuation roll.

4.2 The Municipal Council shall not grant any further exemptions or rebates in respect of these properties because the property rate referred to in paragraph 4.1.1 above, which is the maximum rate permitted by the Rates Ratio Regulations, sufficiently accommodates the factors listed in Section 3(4) of the Act.

To qualify for the agricultural use rebate:

- 1) The owners must proof that they **are** taxed by SARS as a farmer in respect of the property.  
The following documentation to be provided:
  - i) Copy of SARS ITA34, (income assessment - this document includes the ITA48, the farming schedule) and/or
  - ii) Copy of lease agreement if this is the case together with copies of the above documentation from the lessee.
- 2) Owners of rural vacant properties, zoned as agriculture, will also qualify for the 75% agriculture rebate.
- 3) Proof to the municipality's satisfaction that the owner complies with the criteria in question.
- 4) Unless the usage of a property has changed, owners of qualifying agricultural properties must apply for the agricultural rebate where a change of ownership has taken place.
- 5) Applications made must be received by the municipality within three months from the date of registration of the change of ownership of the property in the Deeds Office, failing which no such rebate may be granted for that financial year.
- 6) If the dominant use of agricultural property is commercial or industrial purposes (accommodation establishments, truck depots, construction yards or factories, etc.) these properties will be rated as business properties as per section E. (3) above. Agricultural properties used in contravention of the zoning scheme will be reported to the Planning Directorate and will not qualify for any rebate.
- 7) If the non-dominant use of agricultural properties is commercial or industrial purposes and where the municipal valuer considers it reasonable to apply the category for multi-use properties, the apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the applicable rate.

**5. Public service infrastructure properties (PSI properties)**

5.1 The property rate on these properties:

5.1.1 shall apply to the market value of these properties reflected in the valuation rolls less 30% of that value.

5.1.2 shall be 1:0,25 of the property rate on residential properties; and

5.1.3 shall be a further 10% of the property rate on residential properties; as per section 93A of the Act.

5.2 The definition of PSI in the Act lists kinds of publically controlled infrastructure into subsections (a) to (h).

5.2.1 Section 17 (1)(a) and 17 (1) (aA) split the subsections as listed in the PSI definition into two groups being;

- a. Group A = PSI definition subsection (c), (d) and (f)
  - i. Category PSI
  - ii. Property rate on this category as per 5.1.1 and 5.1.2 above.
- b. Group B = PSI definition subsection (a), (b), (e), (g), and (h)
  - i. New category PSII
  - ii. Property rate on this category as per 5.1.1, 5.1.2 and 5.1.3.
  - iii. With breakdown of 5.1.3 as follows:  
2019/20 = 10% of the residential property tariff  
2020/21 = 100% impermissible.

5.3 Section 13 of the Amendment Act amends Section 17(1) of the Act through the insertion of a new subsection aA which prohibits the rating of any property referred to in paragraphs (a),(b),(e),(g) and (h) of the definition of 'public service infrastructure'.

These are the following components of public service infrastructure:

- 5.3.1 National, provincial or other public roads on which goods, services or labour move across a municipal boundary; *paragraph (a)*
- 5.3.2 Water or sewerage pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; *paragraph (b)*
- 5.3.3 Railway lines forming part of a national railway system; *paragraph (e)*
- 5.3.4 Runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;" (as amended by Section 1(k) of the Amendment Act); *paragraph (g)*



5.3.5 Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; *paragraph (h)*

5.4 The rates on properties identified by Group B will be phased out completely over time as prescribed by Section 93A. After the completion of the final step of Section 93A(2)(e) these properties will be identified by an own category PSII. These properties belong to the group of properties on which a municipality may not levy rates. (100% Impermissible).

**6. Properties owned by an organ of state and used for public service purposes:**

6.1 The property rate on these properties:

6.1.1 shall be the rate that council decided on during the budget process; and

6.1.2 shall apply to the market value of these properties reflected in the valuation roll.

6.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the property rate referred to in paragraph E. (6.1.1) above sufficiently accommodates their status as publicly-controlled properties which are not publicly-controlled infrastructure. Educational Institutions such as NMMU and FET Colleges fall under this category.

**7. Properties owned by public benefit organisations and used for specified public benefit activities:**

7.1 The property rate on these properties:

7.1.1 shall be 1:0,25 the rate that council decided on during the budget process minus a 100% rebate; and

7.1.2 shall apply to the market value of these properties reflected in the valuation roll.

7.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the property rate referred to in paragraph E. (7.1.1) above, which is the maximum rate permitted by the Rates Ratio Regulations, sufficiently accommodates the contributions of their owners and users to the public general welfare.

**8. Properties used for multiple purposes:**

- 8.1 These properties are subject to Section 9 of the Act and in relation to a property, mean the use of a property for more than one purpose.
- 8.2 The Municipal Council shall levy a property rate on these properties save for low-value properties.
- 8.3 The property rate on these properties with one or more components used for residential purposes shall apply to the market value of these properties reflected in the valuation roll less the first R150 000 of that value.
- 8.4 Subject to Section 9(2) of the Act, the property rate on these properties shall be determined by:
- 8.4.1 apportioning the market value of the property to the different purposes for which the property is used; and
- 8.4.2 applying the property rates applicable to the categories determined in paragraph D. (2.1) to D. (2.8) above for properties used for those purposes to the different market value apportionments,
- 8.5 The Municipal Council shall not grant further exemptions or rebates in respect of these properties due to the fact that these properties are not solely used for residential purposes (i.e. home shops, taverns, spaza shops, etc.).

**9. Properties not liable for property rates:**

- 9.1 The Act prohibits the Municipal Council from levying property rates on properties described in section 17(1) (a) (b), (e), (g), (h) and (i) of the Act.
- 9.2 As permitted by the Act the Municipal Council shall not levy rates on:
- 9.2.1 rights registered against immovable property in the name of any persons; and
- 9.2.2 any properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.
- 9.2.3 in relation to places of public worship means:
- (a) a portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of worship.

10. **George Municipal Properties:**

10.1 The Municipal Council shall exempt from property rates all properties owned by the George Municipality.

10.2 The reason for this exemption is that no good purpose would be served by the Municipality being liable for the payment of property rates to itself.

Include municipal creches/educare.

To avoid fruitless and wasteful expenditure the municipality will not levy a rate on any private road or any other property where the market value of the property is equal to or less than R30 000 or such other amount as determined by Council during the budget process.

11. **Low-value properties:**

11.1 The Municipal Council shall exempt from property rates all residential properties included in the valuation roll with a market value less than an amount as determined by Council during the budget process.

11.2 The reasons for this exemption are that the owners of these properties are generally beneficiaries of State housing programmes or persons who are unable to afford property rates.

12. **Other properties:**

12.1 The property rate on these properties:

12.1.1 shall be equal to the property rate on residential properties;

12.1.2 shall apply to the market value of these properties reflected in the valuation roll.

12.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the lower rates for the various categories of properties identified above sufficiently accommodates the need for exemptions or rebates in respect of properties in the Municipality's municipal area.

F. **DISCRETIONARY REBATES TO PROMOTE LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT**

1.1 The Municipal Council may grant rebates to owners of property liable for property rates in order to promote local, social and economic development in the municipal area.

- 1.2 The following criteria will apply in determining whether to grant any such rebates and the extent thereof:
  - 1.2.1 job creation in the municipal area;
  - 1.2.2 social upliftment of the local community;
  - 1.2.3 creation of infrastructure for the benefit of the local community;
  - 1.2.4 the impact of the granting of the rebate on the other ratepayers.
- 1.3 Any application for such rebates must be made in writing accompanied by a business plan indicating how the local, social and economic development objectives of the municipality are going to be met.
- 1.4 Any such rebates:
  - 1.4.1 shall be restricted to such amount(s) or percentage(s) of the rates payable as so determined by the Council;
  - 1.4.2 shall be reported in writing to the Municipal Council at its next meeting; and
  - 1.4.3 shall lapse unless confirmed by the Municipal Council or at any later meeting to which the consideration of the matter may be postponed.

**G. DISCRETIONARY REBATES FOR RELIEF FROM DISASTERS OR OTHER SERIOUS ADVERSE SOCIAL OR ECONOMIC CONDITIONS**

- 1.1 The Municipal Council may grant rebates to owners of property situated within an area affected by a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002) or affected by any other serious adverse social or economic conditions.
- 1.2 Any such rebates:
  - 1.2.1 shall be restricted to such amount(s) or percentage(s) of the rates payable as so determined by the Council;
  - 1.2.2 shall be reported in writing to the Municipal Council at its next meeting; and
  - 1.2.3 shall lapse unless confirmed by the Municipal Council at that meeting or at any later meeting to which the consideration of the matter may be postponed.

#### **H. LOW-INCOME OWNERS/PENSIONERS REBATE**

All owners of properties who inhabit and control such properties and are financially responsible for the payment of property rates on such properties are entitled to:

- (a) a rebate as determined by Council during the budget process on the property rates on such properties, if their total income as defined in the Municipality's Property Rates Policy is less than an amount determined by Council during the budget process.
- (b) The property owner must:
  - apply before 30 June (application forms available at the municipal office).
  - occupy the property as his/her primary place of residence.
  - he/she must be the registered owner.
  - all certificates/proof of income must accompany the application.
  - the property value must be above R150 000.

#### **I. ANNUAL PAYMENT ARRANGEMENTS**

- 1.1 By prior arrangement with the municipality a rate may be paid in a single amount before 30 September every year unless otherwise prescribed by legislation.
- 1.2 However, an application for this option must be submitted to the municipality before 30th June annually.
- 1.3 Late applications will only be considered by the municipality's Chief Financial Officer on good cause shown.

#### **J. INTERIM VALUATION DEBITS**

In the event that a property has been transferred to a new owner and an interim valuation took place, the previous owner shall be liable for the additional rates payable up to the transfer date irrespective of the issuing by the municipality of a rates clearance certificate in terms of Section 118 of the Municipal Systems Act.

**K. RATES CLEARANCE CERTIFICATE & RATES CREDIT REFUNDS**

- 1.1 The municipality shall issue a rates clearance certificate in terms of Section 118(1) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000), after payment of the subscribed administration fee, and once the rates and services is paid 4 months (120 days) in advance in order to facilitate the transfer of immovable property.
- 1.2 Rates clearance certificates has a validity of 60 days from the date it has been issued, in terms of Section 118(1)(b) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000).
- 1.3 In terms of section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal rates, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 1.4 All debt is deemed to be collectable by the municipality in terms of Section 118(3) of the Systems Act. The municipality retains the right to collect debt from a previous owner despite the issuance of a clearance certificate or registration of the transfer of the property in the name of a new owner. After registration of the transfer the outstanding debt of the previous owner may not be collected from the new owner.
- 1.5 No interest shall be paid by the municipality to the registered seller in respect of these payments which are deemed to be due.
- 1.6 All payments will be allocated to the registered seller's municipal account and all refunds will be made to the conveyancer.
- 1.7 According to Section 102 of the Systems Act (Act 32 of 2000), a Municipality may:
  - 1.7.1. Consolidate any separate accounts of persons liable for payments to the municipality
  - 1.7.2. Credit a payment by such a person against any accounts/s of that person, and
  - 1.7.3. Implement any of the debt collection and credit control measures to any arrears on any account/s of that person.

All credit amounts will firstly be allocated as per above and all refunds, if any, will be made to the conveyancer.

- 1.8 Refunds will only be issued on written request or an application for refund by the conveyancer.

**L. INTEREST**

Interest will be levied on outstanding amounts as set out in the Customer Care, Credit Control and Debt Collection Policy.

**M. MONTHLY PAYMENT**

- 1.1 The municipality will recover the rate levied in periodic instalments of equal amounts in twelve months. The instalment is payable on or before the 15th day of every month in accordance with the municipal monthly accounts.
- 1.2 A person is liable for payment of a rate whether or not that person has received a written account. If a person has not received a written account, that person must make the necessary enquiries from the municipality as per Section 27(2) of the Act.
- 1.3 It is the owner's responsibility to ensure that the municipality has his correct contact and domicile address details.
- 1.4 The municipality will act in accordance with its Customer Care, Credit Control and Debt Collection Policy to recover outstanding amounts.
- 1.5 The municipality may recover rates in arrears from tenants and occupiers of the property in accordance with Section 28 of The Act.

**N. CORRECTION OF ERRORS AND OMISSIONS**

- 1.1 In the event of any under-recovery of rates on a particular property, 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 respective valuation roll.
- 1.2 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the prime rate permitted by prevailing legislation.
- 1.3 In the event of any over-recovery of rates on a particular property, whether because of the rate applied or the valuation, the account concerned shall be rectified for the year in which the mistake is detected and for not more than the two preceding financial years, subject, however, to the provisions of the Institution of Legal

Proceeding against Certain Organs of State Act,  
2002 (Act No 40 of 2002).

**O. EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY OF PAYMENTS**

1.1 In terms of the Act:

1.1.1 The lodging of an objection or an appeal in terms of Sections 50 and 54 of the Act does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy;

1.1.2 The review of the municipal valuer's decision in terms of Section 52 of the Act does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy.

**P. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY ROLL**

1.1 In circumstances where a valuation has been carried out by the municipal valuer in pursuance of a supplementary valuation in terms of Section 78(1)(d) or 78 (1)(f) of the Act as a result, for example of a demolition having taken place on a property or a fire having destroyed buildings on a property but the Municipality has not yet included such valuation of the relevant property in a supplementary valuation, such valuation shall be submitted to the Chief Financial Officer for approval to levy rates on the property in accordance with such valuation with effect from the date of the occurrence of the event which caused a supplementary valuation to be required.

1.2 In cases where a completed house is registered in a new owner's name that is in the process to be valued and only the completion certificate is available to the valuer, the registration date may be used to calculate the rates payable, although the effective date of the supplementary valuation is the occupation certificate date.

1.3 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:



- 1.3.1 the municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation;
- 1.3.2 the valuation shall be submitted to the Chief Financial Officer for approval for the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.
- 1.4 any valuations performed in terms of paragraph 38 shall be included in the next supplementary valuation prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such supplementary valuation is made public in terms of Section 49 of the Act.
- 1.5 Rates on a property based on a supplementary valuation cannot become effective on a date before the implementation date of the current general valuation roll.

#### **Q. UPDATING OF VALUATION ROLLS**

##### **1.1 General**

A Municipality must regularly, but at least once a year, update its valuation roll causing a supplementary valuation roll to be prepared, if section 78 applies; or the valuation roll to be amended, if section 79 applies.

##### **1.2 Supplementary Valuations**

A Municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any rate-able property-

- 1.2.1 incorrectly omitted from valuation roll;
- 1.2.2 included in a municipality after the last general valuation;
- 1.2.3 subdivided or consolidated after the last general valuation;
- 1.2.4 of which the market value has substantially increased or decreased for any reason after the last general valuation;
- 1.2.5 substantially incorrectly valued during the last general valuation;
- 1.2.6 that must be re-valued for any other exceptional reason; or
- 1.2.7 of which the category has changed;
- 1.2.8 the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error;
- 1.2.9 Completion certificates.

- 1.3 The municipality must, at least once a year, compile and publish a supplementary valuation roll of all properties included in the supplementary valuations, during the period in which the supplementary valuations took place and make it public and available for inspection in the manner provided for in Section 49 of the Act.
- 1.4 Rounding: The Municipality may round a valuation to the nearest R1 000,00 in cases where the municipal valuer or Valuation Appeal Board adjusted a valuation with the result that the calculation of the rates on the property can be simplified.
- 1.5 Each cause on a supplementary valuation (Par. R.1.2) is controlled by effective dates. Rates on a property based on the valuation of that property in a supplementary roll become payable with effect from the dates prescribed in Section 78(4) (a-e) of the Act. Notices is mailed to the owner indicating the valuation, effective date, etc. Rates amounts calculated from the effective dates are debited as a once-off amount in the owners account.
- 1.6 properties still registered in the name of a developer that are in process of being sold off in the larger development areas in George, are valued as a unit of the remainder of the main development property. (Properties with the same Owner and Title Deed number). When the individual erf is registered in the name of a private owner, it is put on the general or supplementary valuation roll with its own market value and the sizes and values of the unsold unit of erven are adjusted according.

## **R. VALUATION OBJECTION PROCESS**

After the valuer of a municipality has submitted a certified valuation roll in terms of section 49 of the Municipal Property Rates Act 2004 (Act 6 of 2004), prescribes the objection process as follow:

- 1.1 The Municipality must notify the owners of the publication of the valuation roll for public inspection for a period not less than 30 days from the date of the last notice.
- 1.2 In terms of Section 50(1) of the Act any person may within the period stated in the notice:
  - 1.2.1 inspect the valuation roll within office hours;
  - 1.2.2 on payment of a reasonable fee, request the municipality to make extracts from the roll;
  - 1.2.3 lodge an objection with the Municipal Manager against any matter reflected in, or omitted from, the roll.
- 1.3 An objection must be lodged by completing the prescribed form for each property within the advertised period.

- 1.4 An objection must be to a specific individual property and not against the valuation roll as such. Comparing the valuation to neighbouring valuation does not imply that the valuation is incorrect.
- 1.4 The Municipality may also lodge an objection through the Municipal Manager against any matter reflected in, or omitted from, the valuation roll.
- 1.5 In terms of section 50(6) the lodging of the objection does not defer liability for payment of rates beyond the date determined for payment.
- 1.7 In terms of section 54 of the Act, a person may lodge and appeal against the outcome of the objection.
- 1.8 The appeal must be submitted within the given timeframe by submitting the prescribed form which is available at the municipality.
- 1.9 In terms of section 54(4) the lodging of an appeal does not defer a person's liability for payment of rates beyond the date determined for payment.
- 1.10 The handling of late objection forms and appeal forms will be included in the next supplementary valuation process.

**S. VALIDITY OF GENERAL VALUATION ROLL**

The current general valuation is valid from 1 July 2018 until 30 June 2022 Four (4) years).

**T. MULTIPLE OWNERSHIP**

The George Municipality will not split a municipal account as a result of multiple ownership and will hold the owners jointly and severally liable for payment.

**PROPERTY RATES POLICY**

As approved by Council at the Council meeting which was held on 29 May 2019.

Signed at GEORGE on the 31<sup>st</sup> day of **May 2019**.

A handwritten signature in black ink, appearing to read 'T Botha', is written over a horizontal dotted line.

**Municipal Manager: T Botha**