

NDLAMBE LOCAL MUNICIPALITY



RATES POLICY 2026/2027

REVIEWED: 20/03/2026

APPROVED BY COUNCIL:

COUNCIL RESOLUTION NO:

TABLE OF CONTENTS

PARA- GRAPH	SUBJECT	PAGE
1	Legislative Content	3
2	Definitions	3
3	Policy Principles	8
4	Scope of Policy	9
5	Application of Policy	9
6	Categories of Property	9
7	Categories of Owners	10
8	Properties used for Multiple Purposes	10
9	Differential Rating	10
10	Exemptions	11
11	Impermissible rates	12
12	Reductions	12
13	Rebates	13
14	Compulsory phasing in of Rates	16
15	Cost to the Municipality due to Exemptions, Etc.	17
16	Rates increases	18
17	Notification of Rates	18
18	Payment of Rates	18
19	Payment of Rates on Property in Sectional Title Schemes	20
20	Accounts to be furnished	20
21	Regular review processes	20
22	Correction of Errors and omissions	20
23	Frequency of Valuations	21
24	General valuation and preparation of roll	21
25	Community Participation	22
26	Levying of Rates in Sectional Title Schemes	22
27	Register of Property	22
28	By-Laws to give effect to the Rates Policy	23
29	Short Title	23
30	Enforcement / Implementation	24
31	Schedule of Rebates (Schedule 1)	24

1. LEGISLATIVE CONTENT

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

2. DEFINITIONS

- 2.1. “**Act**” means the Municipal Property Rates Act, 2004 (Act No.6 of 2004).
- 2.2. “**agent**” in relation to the owner of a property, shall mean a person appointed by the owner of the property to receive rental or other payments in respect of the property on behalf of the owner, or to make payments in respect of the property on behalf of the owner;
- 2.3. “**agricultural purpose**” means property which is used exclusively for agricultural and/or farming purposes as bona fide farmers but excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting game including small holdings. In this definition such properties could also be included within the urban edge of a town;
- 2.4. “**annually**” means once every financial year;
- 2.5. “**bona-fide farmers**” means a genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the Kouga municipal area, and is taxed by SARS as a bona-fide farmer.

- 2.6. **“business and commercial property”** means:
- a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
 - b) property on which the administration of the business of private or public entities take place.
- 2.7. **“category”**
- a) in relation to property, means a category of property determined by the Council in terms of Section 8(2) of the Act;
 - b) in relation to owners of property, means a category of owners determined by the Council in terms of Section 15(2) of the Act;
- 2.8. **“Date of valuation”** means the date determined by the Kouga Local Municipality in terms of Section 31 (1)
- 2.9. **“exemption”**, in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act;
- 2.10. **“industrial property”** means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity, including silos ;
- 2.11. **“market value”**, in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;
- 2.12. **“mining property”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, (Act 28 of 2002);
- 2.13. **“municipal property”** means those properties of which the Municipality is the owner.
- 2.14. **“Multiple purposes”**, means properties used for multiple purposes for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in accordance with the permitted, -actual use or its zoning.
- 2.15. **“Municipality”** means the Municipal Council for the municipal area of Ndlambe.
- 2.16. **“open space”** means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;
- 2.17. **“eco-estate”** means Residential categorised properties in an estate where service are not provided by the municipality.
- 2.18. **“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date;

2.19. **“occupier”**, in relation to a property, means a person in actual occupation of a property whether or not that person has a right to occupy the property;

2.20. **“owner”**—

(a) in relation to property referred to in paragraph (a) of the definition of “property”, means — a person in whose name ownership of the property is registered;

(b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered; or

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation,

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) an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

(viii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.21. **“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –

(a) any restrictions imposed by –

(i) a condition of title;

(ii) a provision of a town planning or land use scheme; or

(iii) any legislation applicable to any specific property or properties; or

(b) any alleviation of any such restrictions;

2.22. **“private owned town”** means Residential categorised properties in towns where service are not provided by the municipality

2.23. **“public service purposes”**, in relation to the use of a property, means property owned and used by an organ of state as:

a) Hospitals and clinics;

- b) Schools, pre-schools, early childhood development centres or 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”

2.24. **“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.

2.25. **“property register”** means a register of properties referred to in section 23 of the Act;

2.26. **“public benefits organisation”** means an organisation conducting specified public benefit activities as defined in the act and registered in terms of the Income Tax Act for tax reductions because of those activities.

2.27. **“Public Service Infrastructure”** means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

(b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;

(g) runways or aprons at national or provincial airports;

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

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

- 2.28. **“public worship”** means a property registered into the name of and used exclusively as a place of worship by a religious community, including one residence registered in the name of this religious community which is occupied full time by an office bearer of the religious community.
- 2.29. **“Rate ratio”** means a prescribed ratio to the rate as referred to in section 19(1) of the Municipal Property Rates Act
- 2.30. **“rate”** means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;
- 2.31. **“rateable property”** means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;
- 2.32. **“rebate”**, in relation to a rate payable on a property, means a discount granted by the Council on the amount of the rate payable on the property;
- 2.33. **“reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property by the Council at that lower amount;
- 2.34. **“residential property”** means a property included in the valuation roll in terms of Section 48 (2)(b) of the Local Government: Municipal Property Rates Act, No.6 of 2004
- 2.35. **“Vacant land”** means land where no immovable improvements have been erected. Vacant land can be classified as follows:
- a) **“Residential vacant”** means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as residential vacant.
 - b) **“Business vacant”** means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as business vacant.
 - c) **“Industrial vacant”** means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as industrial vacant.

3. POLICY PRINCIPLES

- 3.1. Rates are levied in accordance with the Act as an amount in the rand based in proportion to the improved value of all rateable property contained in the Municipality’s valuation roll and supplementary valuation roll.
- 3.2. As allowed for in the Act, the Municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an

individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

3.3. Phasing in of rates will be based on the new valuation roll, and in terms of Section 21 of the Act.

3.4. Property rates will be used to finance community and subsidised services and not used to subsidise trading and economic services.

3.5. The income base of the municipality will be protected by limiting exemptions, rebates and reductions.

3.6. The rates policy for the Municipality is also based on the following principles:

3.6.1 Equity

The Municipality will treat all rate payers with similar properties the same.

3.6.2 Affordability

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

3.6.3 Sustainability

Rating of property will be implemented in a way that:

- i. it supports sustainable local government by providing a stable and continuous revenue source within the discretionary control of the Municipality; and
- ii. supports local and social economic development.

3.6.4 Cost efficiency

Rates will be based on the value of all rateable properties and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage services) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

3.7 Rebate application

Owners or occupants of properties should submit annual application for rates rebate /exemption for consideration by Council.

4. SCOPE OF THE POLICY

This policy does not make specific property rates proposals. Details pertaining to the applications of the various property rates will be published in the Municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

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

6. CATEGORIES OF PROPERTY

6.1. Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the:-

- 6.1.1 use of the property;
- 6.1.2 permitted use of the property, or
- 6.1.3 combination of (a) and (b)

6.2. The Municipality may differentiate between the following property categories:

The Council has resolved to levy different rates for different categories of property based on the use of the property concerned. In the event where the use cannot be determined properties will be valued based on the permitted use ie. vacant land.

The municipality has identified the following categories of property in accordance with section 8 and 93A of the Act:

- 6.2.1 residential properties;
- 6.2.2 business and commercial properties;
- 6.2.3 industrial properties;
- 6.2.4 mining properties;
- 6.2.5 Agricultural properties;
- 6.2.6 properties owned by an organ of state and used for public service purposes;
- 6.2.7 public service infrastructure;
- 6.2.8 public benefit organisations;
- 6.2.9 multiple use properties;
- 6.2.10 vacant land subcategorised into the following:
 - residential
 - business
 - private open space / private open place
 - industrial
 - public service infrastructure

The Municipality will treat farm properties and smallholdings that are used for residential purposes as residential properties and grant them all the rebates and reductions applicable to other residential properties in the municipal area.

Farm properties and smallholdings that are used for industrial, commercial and business purposes will be rated on the same basis as other such properties in the municipal area.

7. CATEGORIES OF OWNERS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the:-

- 7.1 indigent status of the owner of a residential property;
- 7.2 owner of a residential property with a source of income within a determined threshold;
- 7.3 owners of property situated within an area affected by:-
 - 7.3.1 a disaster within the meaning of the Disaster Management Act, 2002 Act no.57 of 2002); or
 - 7.3.2 any other serious adverse social or economic conditions;
- 7.4 owners of residential properties with a market value below a determined threshold; or
- 7.5 owners of agricultural properties who are *bona fide* farmers.

8. PROPERTIES USED FOR MULTIPLE PURPOSES

Rates on properties used for multiple purposes will be levied as follow:

- 8.1 by apportioning the market value of a property to the different purposes for which the property is used; and
- 8.2 applying the relevant cent amount in the rand, including any applicable exemption, rebate or reduction, to the corresponding apportioned market value.

9. DIFFERENTIAL RATING

- 9.1. Criteria for differential rating on different categories of properties will be according to:-
 - 9.1.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
 - 9.1.2 The promotion of social and economic development of the Municipality.
- 9.2. Differential rating among the various property categories will be done by way of setting a different rate for each property category

and/or
- 9.3 by way of reductions and rebates.

10. EXEMPTIONS

The following properties are exempted from rates:

10.1 Municipal properties

Municipal properties are exempted from paying property rates.

10.2 Public Service Infrastructure

Public Service Infrastructure properties are exempted from paying property rates.

- 10.3. Indigent property owners - Residential properties with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. The impermissible rates levied on the first R15 000 of the market value of all residential properties contemplated in terms of section 17(1)(h) of the Act may be supplemented by Council based on affordability, ratepayer profile and the Municipality's predetermined level of support to the indigents. Vacant land does not qualify for this rebate.

Exemptions in 10.1 to 10.2 will automatically apply and no application is thus required by the owners of such property.

Exemptions in 10.3 is to follow the indigent policy application process.

10.4 The following properties may apply for exemption from rates;

10.4.1 Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

10.4.2 Museums, libraries, art galleries and botanical gardens

Registered in the name of private persons, open to the public and not operated for gain.

10.4.3 Youth development organisations

Property owned and/or used exclusively for organisations for the provision of youth leadership or development programmes.

10.4.4 Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

11. IMPERMISSIBLE RATES

In terms of section 17(1) of the Property Rates Act, 2004, the Municipality may, inter alia, not levy rates:

- 11.1 on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004 (Act No 10 of 2004), which are not developed or used for commercial, business, residential or agricultural purposes;
- 11.2 on mineral rights within the meaning of paragraph (b) of the definition for “property” in section 1 of the Act;
- 11.3 on the first R15 000 of the market value of all residential properties contemplated in terms of section 17(1)(h) of the Act. Vacant land does not qualify for this rebate.
- 11.4 on a property belonging to a land reform beneficiary or his or her heirs, provided that the exclusion lapses ten years from the date on which such beneficiary’s title was registered in the Deeds register; and
- 11.5 on a property registered in the name of and primarily used as a place of public worship, including an official residence registered in the name of the church that is occupied by an office-bearer who acts as officiant of the church.

12. REDUCTIONS

- 12.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act will be granted where the value of a property is affected by:-
 - 12.1.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act no.57 of 2002); or
 - 12.1.2 any other serious adverse social or economic conditions.
- 12.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.
- 12.3 All categories of owners can apply for a reduction in the valuation of the property as described above.
- 12.4 Criteria for granting reductions are as follow:
 - 12.4.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act may be granted where the value of a property is affected by fire damage demolition or floods.
 - 12.4.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.

13. REBATES

13.1 Public Benefit Organisations

The following Public Benefit Organisations may apply for the rebate of property rates subject to submission of 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) and financial statements.

13.1.1 Health care institutions

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

13.1.2 Welfare institutions

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

13.1.3 Charitable institutions

Property belonging to registered not-for-gain institutions or organisations that perform charitable work.

13.1.4 Sporting bodies

Property used for the purpose of amateur sports on a non-professional and non-profitable basis.

13.1.5 Retirement Establishments

Rates rebate for non-profit organisations providing accommodation for retired individuals are subject to be considered to receive a rebate that will be calculated as a prorata amount based on the number of occupants that qualify for either an indigent subsidy or rebate will be granted as a prorata amount of the number of qualifying occupants,

All occupants with life rights residing within a retirement establishment would be required to do individual applications by completing either the indigent application form or a pensioner's rebate form. This would apply whether a property is registered in the occupant's name or in an entity's name.

Occupiers without life rights that pay rentals, the organisation will be required to submit all rentals payable by the occupant.

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

All other property in a retirement establishment not occupied by a tenant or owner for residential purposes will not qualify for a rebate.

The council may grant a rebate to the following categories:

13.2 Categories of property

13.2.1 Business, commercial and industrial properties

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

- 13.2.1.1 job creation in the Municipal area;
- 13.2.1.2 social upliftment of the local community; and
- 13.2.1.3 creation of infrastructure for the benefit of the community.

Rebates on this category 13.2.1, will be considered on application subject to:

- a business plan submitted in respect of the company indicating the local, social and economic development objectives of the Municipality are going to be met;
- an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
- an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and
- approval of the application by a Municipal Council resolution.

13.3 Residential properties vested in Eco-Villages(estates)

Eco-Villages may qualify for an additional rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1.

13.4 Residential properties vested in Privately owned Towns or developed towns

May qualify for an additional rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1. (eg Kasouga, Langholm and Green Fountain)

13.5 Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.

13.6 Historical or heritage properties

No rebates are granted other than residential rebates if applicable.

13.7 Retired and Disabled Persons: Rate Rebate

Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- occupy the property as his/her normal residence;
- is at least 60 years of age or
- in receipt of a disability pension from the Department of Social Welfare or other approved pension funds;
- is in receipt of a total monthly income from all sources (including income of spouses of owner) as per Schedule 1;

not be the owner of more than one property but in the case where the owner/applicant owns a second property which is vacant land only one property will qualify for pensioners rebate.; and

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;

Property owners must apply on a prescribed application form for a rebate as determined by the Municipality;

Applications must be accompanied by:-

- a certified copy of the bar coded identify document, passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the Municipality;
- sufficient proof of income of the owner and his/her spouse;
- an affidavit from the owner;
- if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- if the owner has retired at an earlier age for medical reasons proof thereof must be submitted;
- be in receipt of a total monthly income from all sources (including income of spouses of owner) as determined in Schedule 1:

These applications must reach the Municipality before the end of September preceding the start of the new Municipal financial year for which rebate is sought.

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

13.8 Properties with a market value below a prescribed valuation level

These properties instead of a rate determined on the market value may be levied a uniform fixed amount per property.

13.9 Private Roads

All roads in private developments that are on individual erven can receive a rebate as per Schedule 1.

14. COMPULSORY PHASING IN OF RATES

14.1 Newly Rateable Properties

14.1.1 Rates levy on newly rateable property will be phased in over a period of three financial years.

14.1.2 The phasing-in discount will be determined as follow:

14.1.2.1 In the first year, 75% discount on the rates for the year applicable on the property,

14.1.2.2 in the second year, 50% discount on the rates for the year applicable on the property,

14.1.2.3 in the third year, 25% discount on the rates for the year applicable on the property.

14.2 Newly Rateable property owned and used by Public Benefit Organisations

14.2.1 Rates levied on newly rateable property owned and used by organisations conducting specified public benefit activities determined by Council and registered in terms of the Income Tax Act for those activities will be phased in over a period of four financial years.

14.2.2 The phasing-in discount will be determined as follow:

14.2.2.1 In the first year no rates will be levied on the property concerned;

14.2.2.2 In the second year, 75% discount on the rates for the year applicable on the property;

14.2.2.3 in the third year, 50% discount on the rates for the year applicable on the property;

14.2.2.4 in the fourth year, 25% discount on the rates for the year applicable on the property.

14.3 Rates on Property belonging to a land reform beneficiary or his/her heirs

14.3.1 The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.

14.3.2 After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years.

- 14.3.3 The phasing-in discount will be determined as follows:-
 - 14.3.3.1 In the first year, 75% discount on the rates for the year applicable on the property;
 - 14.3.3.2 in the second year, 50% discount on the rates for the year applicable on the property;
 - 14.3.3.3 in the third year, 25% discount on the rates for the year applicable on the property.

15. COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY.

- 15.1 The Municipal manager shall ensure that the revenue foregone in respect of the foregoing rebates, exemptions and reductions, are appropriately disclosed in each annual operating budget and in the annual financial statements and annual report and that such rebate, are clearly indicated on the rates account submitted to each property owner.
- 15.2 The municipal manager must annually table in Council:-
 - 15.2.1 a list of all exemptions, reductions and rebates, i.e phasing in discounts, 20% rebate, etc, granted by the municipality during the previous financial year;
 - 15.2.2 a statement reflecting the income which the municipality has foregone during the previous financial year by way of such exemptions, reductions and rebates and the phasing in discount granted in terms of section 21 of the Municipal Property Rates Act

16 RATES INCREASES

- 16.1 The Municipality may consider increasing rates annually during the budget process using the guidelines issued by National Treasury from time to time as a guide.
- 16.2 Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- 16.3 Affordability of rates to ratepayers.
- 16.4 All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation meetings, local newspapers, community libraries and municipal websites participation.
- 16.5 A rates tariff in a financial year shall be determined as a proportion of the amount required to finance the difference between the total budget and the amount raised through the trading services.

17 NOTIFICATION OF RATES

- 17.1 The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- 17.2 A notice stating the extent of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places provided for that purpose.
- 17.3 Rates tariff to be used for the levying of rates during a financial year will be promulgated in a Provincial Gazette

18 PAYMENT OF RATES

- 18.1 Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the date mentioned on the monthly municipal account.
- 18.2 Twelve equal monthly instalments will be used as default method to levy property rates on the accounts of owners and owners will have to apply for an annual payment.
- 18.3 If the owner of property that is rateable, notifies the Municipal Manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the Municipal Manager or his/her nominee that he/she wishes to pay all rates in respect of such property in one instalment, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in one instalment until such notice is withdrawn by him/her in a similar manner.
- 18.4 Interest on arrears of rates whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the bank prime rate plus 1% as determined from time to time by the SA Reserve Bank. Interest will be calculated on arrears.
- 18.5 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 Policies of the Municipality.
- 18.6 Arrear rates may be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act.
 - 18.6.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation between the tenant and the owner. The Municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier.
 - 18.6.2 The amount that the municipality will recover from the tenant or occupier will be limited to the amount of the rent or other money due and payable, but not yet paid by the tenant or occupier to the owner of the property. The tenant or occupier must set off any amount recovered from them by the municipality against any money owed to the owner.
 - 18.6.3 The tenant or occupier of a property will on request of the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant

or occupier to the owner of the property for rent or other money payable on the property during a period as may be determined by the municipality.

- 18.6.4 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The Municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.
- 18.6.5 The amount that the municipality will recover from the agent will be limited to the amount of the rent or other money received by the agent on behalf of the owner less any commission due to the agent.
- 18.6.6 The agent will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.
- 18.6.7 A rate levied by the Municipality on a property must be paid by the owner of the property. Joint owners of a property are jointly and severally liable for the amount due for rates on that property.

18.6.8 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

18.7 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.

18.8 Effective Implementation Date

General Valuation will be effective on the first day of a financial year.

19 **PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEME**

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

20 **ACCOUNTS TO BE FURNISHED**

20.1 The Municipality must furnish each person liable for the payment of a rate with a written account specifying:

- 20.1.1 The amount due for rates payable;
- 20.1.2 The date on or before which the amount is payable;
- 20.1.3 How the amount was calculated;
- 20.1.4 The market value of the property;
- 20.1.5 Phasing in discount if applicable.

20.2 The person liable for payment of the rates remains liable for such payment whether or not such person has received a written account from the Municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries from the Municipality.

21 REGULAR REVIEW PROCESSES

The rates policy must be reviewed on an annual basis to ensure that it complies with legislation and the Municipality's strategic objectives as contained in the IDP.

22 CORRECTION OF ERRORS AND OMISSIONS

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 approximately 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.

23 FREQUENCY OF VALUATIONS

The Municipality shall prepare a new valuation roll every 5 (five) years and supplementary valuation every 12 or 6 months.

24 GENERAL VALUATION AND PREPARATION OF VALUATION ROLL

- 24.1. The Municipality must cause a general valuation to be made of all properties in the Municipality's jurisdiction and must prepare a valuation roll of all properties in terms of such valuation.
- 24.2. All rateable properties in the Municipal area of Ndlambe must be valued during such general valuation, including properties fully or partially excluded from rates in terms of section 17 of the Property Rates Act.

- 24.3. The general valuation must reflect the market value of properties in accordance with the market conditions that apply as at the date of the valuation, an in accordance with any other applicable provisions of the Property Rates Act.
- 24.4. A valuation roll takes effect from the start of the financial year. Following completion of the public inspection period required by the Act and remains valid for that financial year and subsequent years but not exceeding four financial years.
- 24.5. The market value of a property is the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer.
- 24.6. When valuing a property which is subject to a sectional title scheme, the valuator must determine the market value of each sectional unit in the scheme.
- 24.7. The Municipality must regularly, at least once a year update its valuation roll by causing a supplementary valuation roll to be prepared.

25. COMMUNITY PARTICIPATION

Before the Municipality adopts its rates policy, the Municipality must follow the process of Community participation envisaged in chapter 4 of the Municipal Systems Act, and comply with the following requirements:

The Municipal Manager must:

- 25.1. Conspicuously display the draft rates policy for a period of at least 30 days at the Municipality's head and satellite offices and libraries and website if any;
- 25.2. Advertise in the media a notice stating that a draft rates policy has been prepared for submission to the Council, and that such policy is available at various Municipal offices for public inspection and is also available on the website if any, and inviting local community to submit comments and representatives to the Municipality within a period specified in the notice, but which period shall not be less than 30 days.
- 25.3. Council must take all comments and representations made to it into account when considering the draft rates policy.

26. LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

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

27. REGISTER OF PROPERTIES

27.1. The Municipality must draw up and maintain a register in respect of all properties situated within the Municipality jurisdiction, dividing such register into part A and part B.

27.2. Part A of the register consists of the current valuation roll of the Municipality including any supplementary valuation rolls prepared from time to time.

Part B of the register specifies which properties on the valuation roll or any supplementary valuation roll are subject to:

- 27.2.1. An exemption from rates in terms of section 15 of the Property Rates Act;
- 27.2.2. A rebate on or a reduction in the rate in terms of section 15;
- 27.2.3. A phasing in of the rate in terms of section 21;
- 27.2.4. An exclusion referred to in section 17.

27.3. The register must be open for inspection by public during office hours. Council must at regular intervals annually update part B of the register.

28. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of its rates policy and such by-laws may differentiate between different categories of properties, and different categories of owners of properties liable for the payment of rates.

29. SHORT TITLE

This policy is the Property Rates Policy of the Ndlambe Local Municipality.

30. ENFORCEMENT/IMPLEMENTATION

This policy has been amended by the Municipality in terms of resolution and comes into effect from 1 July 2022.

SCHEDULE 1
SCHEDULE OF REBATES

Category/Description	Proposed rebate	Based on:
<u>Contribution to social and economic welfare of farm workers:</u>		
Concrete structure permanent residential property provided to all farm workers with all basic services (potable water through a tap at house, water borne sewer, electricity, refuse removal)	4% (1% per each service)	Agricultural rate
Availing land/buildings for education and recreational purposes for farm workers	1.0%	Agricultural rate
<u>RESIDENTIAL PROPERTIES VESTED IN ECO-ESTATES</u>		
Rebate for no Municipal services on property	30%	Residential properties rate
<u>RESIDENTIAL PROPERTIES VESTED IN PRIVATELY OWNED TOWNS SERVICED BY OWNER</u>		
Rebate for no Municipal services on property	30%	Residential properties rate

RETIRED AND DISABLED OWNERS ON RESIDENTIAL PROPERTY WITH RATEABLE VALUE OF LESS THAN R2 500 000		
Category/Description	Proposed rebate	Based on:
Owner with income up to R 10 000 per month	45.0%	Residential rate
Owner with income between R 10 001 and R14 000	35.0%	Residential rate
Owner with income between R14 001 and R18 000	25.0%	Residential rate
PRIVATE ROADS / PRIVATE OPEN SPACES		
Private roads / Private open spaces fully accessible to the public on individual erven	100.0%	
INDIGENT HOUSEHOLDS	Proposed rebate	Based on:
Owners with income up to the equivalent of two government old age pensions	100%	Business rate
Owners with income greater than two government old age pension and up to R5 000 per month	30.0%	Business rate

All above rebates will only be granted on completion of the necessary application form and the submission of all required documentation.

All applications will be subjected to verification before approval`