

GREATER TAUNG LOCAL MUNICIPALITY



RATES POLICY PREAMBLE

*Council Resolution No: 44/2016
Approved Date: 31 May 2016
Financial Year: 2016/17*

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- (1) **WHEREAS** the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Property Rates Act, Act 6 of 2004 (hereinafter referred to as “the MPRA”), empowers the Greater Taung Local Municipality (hereinafter referred to as “the Municipality”) to impose rates on property;
- (2) **AND WHEREAS** in terms of section 4(1)(c) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as “the Systems Act”), the Municipality may, *inter alia*, levy rates on property to finance the operational expenditure of the Municipality;
- (3) **AND WHEREAS** in terms of section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as “the MFMA”), the Municipal Manager of the Municipality appointed in terms of section 82 of the Local Government: Municipal Structures Act, Act 117 of 1998 (hereinafter referred to as “the Structures Act”), must, in his capacity as the accounting officer of the Municipality, ensure that the Municipality has and implements a rates policy;
- (4) **AND WHEREAS** the Municipality:
 - (a) must, in terms of section 3(1) of the MPRA, adopt a policy consistent with the MPRA on the levying of rates on rateable property within the municipal area of the Municipality;
 - (b) must, in terms of section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its rates policy;
 - (c) must, in terms of section 5(1) of the MPRA, annually review, and may, if necessary, amend this policy. Proposals for reviewing this policy must be considered by the Municipality in conjunction with its annual operating budget; and

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- (d) may, in terms of section 22 of the MPRA, levy an additional rate on property in a special rating area and, in doing so, may differentiate between different categories of property;

- (5) **NOW THEREFORE**, this policy has been drafted in compliance with the provisions of sections 3(1) and 6(1) of the MPRA, and must be read within the context of the MPRA, and in as far as required, supplemented and amplified by the MPRA.

THE GREATER TAUNG LOCAL MUNICIPALITY: RATES POLICY

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SCHEDULE "C"	APPLICATION FOR A PENSIONER'S AND/OR DISABLED PERSON'S PROPERTY RATES REBATE
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CHAPTER 1 INTRODUCTORY PROVISIONS

1. DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words or expressions to which a meaning has been assigned in terms of the provisions of section 1 of the MPRA will have the meaning assigned thereto by the said act. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
“A”		
1.1	“account”	Means the account furnished to an owner by the Municipality once the owner becomes liable for the payment of rates and which reflects the amount due to the Municipality by such owner in respect of the rates, and depending on the context may also refer to an “account” as defined in terms of the provisions of the Credit Control & Debt Collection Policy and ByLaw of the Municipality.
1.2	“agent”	In relation to property, means a person appointed by the owner of such property: (a) to receive rental or other payments in respect of the property on behalf of the owner; (b) to make payments in respect of the property on behalf of the owner.
1.3	“agricultural purposes”	Means the conducting of predominantly bona fide agricultural activities on a property, excluding the use

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		of the property for eco-tourism or for the trading in or hunting of game.
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“C”		
1.4	“certificate of occupancy”	Means the certificate of occupancy issued by the Municipality in terms of the provisions of section 14 of the National Building Regulations and Building Standards Act, Act 103 of 1977.
1.5	“consent use”	Means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Municipality.
1.6	“Council”	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.
1.7	“current monthly rates”	Means the rate levied on a property in the month immediately preceding the month in which application for a rebate has been made, where such application is required in terms of this policy, and in all other events, the month preceding the month in which the rebate will come into operation.
“E”		
1.8	“exemption”	In relation to the payment of a rate, means an exemption granted by the Municipality in terms of the provisions of section 15 of the MPRA.
“F”		
1.9	“financial year”	Means the period commencing on the 1 st day of July in any calendar year and ending on the 30 th day of June of the following calendar year.
1.10	“ farming”	Means a genuine or real farming on which dominant income is generated from farming activities, on an

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		agricultural property and is taxed by SARS as a bona fide farmer.
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“I”		
1.11	“Income Tax Act”	Means the Income Tax Act, Act 58 of 1962.
1.12	“indigent support”	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.
“L”		
1.13	“Land Use Management Scheme”	Means the Land Use Management Scheme adopted by the Council in terms of the provisions of the Town Planning and Townships Ordinance, Ordinance 15 of 1986.
1.14	“low cost residential property”	Means a property which was obtained by the owner thereof, being the beneficiary of a subsidy availed to such owner in terms of the Housing Subsidy System, as provided for in the Housing Code, 2009, read with the provisions of the Housing Act, Act 107 of 1997.
“M”		
1.15	“MFMA”	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.16	“MPRA”	Means the Local Government: Municipal Property Rates Act, Act 6 of 2004.

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1.17	“MPRA Rate Ratio Regulations”	Means the Municipal Property Rates Act: Regulations on the Rate Ratio between Residential and NonResidential Properties promulgated in terms of the provisions of section 83 of the MPRA and published in GN R195 in GG 33016 of 12 March 2010.
1.18	“Municipality”	<p>Means the GREATER TAUNG LOCAL MUNICIPALITY, a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act, read with the provisions of Chapter 7 of the Constitution of the Republic of South Africa and sections 12 and 14 of the Local Government: Municipal Structures Act, Act 117 of 1998, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at the Taung Station, Main Road, TAUNG, NORTH WEST PROVINCE, and includes:</p> <ul style="list-style-type: none"> (a) its successor in title; or (b) a functionary exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.

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1.19	“municipal property”	Means property owned by, vested in or under the control and management of the Municipality.
“N”		
1.20	“non-residential property”	Means all properties (including all undeveloped properties) other than those defined as “residential property”.
“P”		
1.21	“public service infrastructure”	Means public service infrastructure as defined in the Municipal Property Rates Act, Act 6 of 2004.
“R”		
1.22	“rateable property”	Means property on which the Municipality may in terms of the provisions of sections 2 and 7 of the MPRA levy a rate, excluding property fully excluded from the levying of rates in terms of the provisions of section 17 of the MPRA.

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1.23	“ratepayer”	Means any owner of rateable property as well as any owner of rateable property held under sectional title, situate within the municipal area of the Municipality.
1.24	“rates”	Means a municipal rate on property levied in terms of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.
1.25	“rebate”	Means a discount granted in terms of the provisions of section 15 of the MPRA on the amount of the rate payable on the property.
1.26	“reduction”	Means the lowering in terms of the provisions of section 15 of the MPRA of the amount for which the property was valued and the rating at that lower amount.
1.27	“Registered Indigent”	Means a person who has applied to the Municipality in terms of the Indigent Policy of the Municipality to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent on the Indigent Register, as contemplated in terms of the Indigent Policy of the Municipality.
1.28	“residential property”	Means improved property which is: (a) used predominantly (60% or more) for residential purposes, with not more than 2 (two) dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction

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		<p>purposes); or</p> <p>(b) a unit registered in terms of the Sectional Titles Act, used predominantly (60% or more) for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or</p> <p>(c) owned by a share-block company and used predominantly (60% or more) for residential purposes; or</p> <p>(d) a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or</p> <p>(e) a residence used for residential purposes situated on property used for or related to educational purposes; but excludes hostels, flats, old age homes, guesthouses and any vacant land irrespective of its zoning or intended usage.</p>
“S”		
1.29	“school”	Means a school as defined in terms of the South African Schools Act, Act 84 of 1996.
1.30	“Sectional Titles Act”	Means the Sectional Titles Act, Act 95 of 1986.

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1.31	“State”	In so far as it relates to property owned and used by the State, means property owned and used by the National Government and North West Provincial Government for the provision of community type services, including but not limited to police stations, hospitals. All other property owned and utilised by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes etc.
1.32	“Structures Act”	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.33	“Systems Act”	Means the Local Government: Municipal Systems Act, Act 32 of 2000.
“T”		
1.34	“technical and other colleges”	Means a public college and a private college as contemplated in the Further Education and Training Colleges Act, Act 16 of 2006.
1.35	“the/this policy”	Means the Property Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
1.36	“threshold”	Means the amount, determined from time to time by the Municipality during its annual budget process referred to in section 12(2) of the MPRA, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only.
“V”		
1.37	“vacant land”	Means a property without any improvements thereto.
1.38	“valuation roll”	Means a valuation roll prepared in terms of the provisions of section 30 of the MPRA or a supplementary valuation roll prepared in terms of the provisions of section 78 of the MPRA.

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“Z”		
1.39	“zoning”	Means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in the applicable Land Use Management Scheme, or any revision or amendment thereof, and “zoned” has a corresponding meaning, provided that where a property carries multiple zoning rights, the categorisation of such property will be in accordance with the highest rating category.

2. AIM AND PURPOSE

- (1) This policy constitutes the policy as contemplated in terms of the provisions of section 3(1) of the MPRA and the aim and purpose of this policy is as set out in the provisions of section 3(3) of the MPRA.

- (2) The aim of this policy is to:
 - (a) ensure that all owners of rateable property are informed about their liability for rates;
 - (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in terms of the provisions of section 15 of the MPRA;
 - (c) empower the Municipality to specify a threshold at which rating in respect of residential properties may commence as provided for in terms of the provisions of section 15(1)(a) of the MPRA, which it is authorised to do;
 - (d) set out the criteria to be applied by the Municipality when it:
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;

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- (e) provide for categories of public benefit organisations, approved in terms of the provisions of section 30(1) of the Income Tax Act, Act 58 of 1962 (hereinafter referred to as “the Income Tax Act”), which are ratepayers, and who may apply to the Municipality for relief from rates;
- (f) recognise the State, organs of state and the owners of public service infrastructure as property owners;
- (g) encourage the development of property;
- (h) ensure that all persons liable for rates are treated equitably as required by the MPRA; and
- (i) provide that any rebate is to benefit the owner in occupation of the property.

3. TITLE AND APPLICATION

- (1) This policy is known as the Rates Policy of the Greater Taung Local Municipality.
- (2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

4. COMMENCEMENT AND VALIDITY

This policy shall come into force and effect on the first implementation of the general valuation roll to be prepared by the Municipality in terms of the provisions of section 30, read with section 31 of the MPRA. This policy shall accompany the Municipality's budget for the 2015/2016 financial year, as a budget related policy, when such budget is tabled in the Council of the Municipality in terms of the provisions of section 16(2) of the MFMA for approval, in order to allow for the Council of the Municipality to consider and approve this policy in terms of the provisions of section 24(1) of the MFMA. Once this policy is approved by the Council, the general valuation roll to be compiled by the Municipality will be compiled taking account of the principles and provisions of this policy in as far as *inter alia* the different categories of properties and special rating areas are concerned.

5. RESPONSIBLE AUTHORITY

The responsible authority for the adoption, publication and implementation of this policy is the Municipality, and where applicable the Council of the Municipality.

CHAPTER 2 RATING PRINCIPLES AND CATEGORIES OF PROPERTY

6. OPERATIONAL BACKGROUND AND PRINCIPLES

- (1) This policy has been prepared to ensure equitable treatment by the Municipality in the levying of rates on property owners, including owners under sectional title as contemplated in terms of the Sectional Titles Act, as well as any other person who may become liable for the payment of rates based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability and cost efficiency.
- (2) This policy must be read in conjunction with the provisions of the Land Use Management Scheme and the Town Planning and Townships Ordinance 15 of 1986, and any other applicable legislation, including, but not limited to, the MFMA, the Systems Act, and any legislation which replaces any of the aforementioned acts or ordinance.
- (3) The Municipality is required by the terms of section 16(1) of the MFMA, read with section 24(1) of the MFMA, to approve an annual operating budget prior to the commencement of every financial year. The income from rates must be used to finance in full or in part, the annual operating expenditure of the Municipality as reflected in such budget.
- (4) As provided in the MPRA, the Municipality has elected to differentiate between various categories of property and property owners. Some categories of property and categories of owners are granted relief from rates. The

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Municipality does, however, not grant relief from rates in respect of payments for rates to any category of owners or properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

- (5) Rates are levied in accordance with the provisions of the MPRA as a cent-in-the-rand based on the property value determined for a property as contained in the valuation roll and supplementary valuation roll. The rate charged as a cent-in-the-rand for residential properties is the base rate and the rate charged in respect of all other categories of property is reflected as ratios to the residential rate.

7. ANNUAL OPERATING BUDGET

- (1) Rates and rate ratios shall be levied and established as part of the approved annual budget of the Municipality and shall remain valid and in force and effect until amended, changed or varied by the Council.
- (2) In terms of the provisions of section 28(6) of the MFMA a municipal tax may not be increased during a financial year, except when required in terms of a financial recovery plan.
- (3) The Municipality must consider the levying of rates annually during the budget process as contemplated in section 12(2) of the MPRA.
- (4) Rate increases must be used to finance the increase in operating costs of the municipal services and facilities of the Municipality.

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- (5) In determining the level of increases in rates, the criteria to be applied may include the following:
- (a) the inflation rate as indicated by the consumer price index, excluding mortgage bonds;
 - (b) the financing of increased operating expenditure in the budget of the Municipality;
 - (c) the financing of additional maintenance expenditure included in the operating budget of the Municipality;
 - (d) the financing of additional depreciation charges included in the operating budget of the Municipality;
 - (e) the additional cost of servicing debt included in the operating budget of the Municipality;
 - (f) the augmentation of any revenue shortfall;
 - (g) the financing from the annual operating budget of expenditure related to anything the Municipality is lawfully empowered to do for which provision has to be made in the budget; (h) the taking into consideration of the medium term budget growth factors as determined by National Treasury; and
 - (h) any other relevant factor.
- (6) Also in determining the level of increases in rates and in order to assist the Municipality in dealing with the criteria as set out above, the Municipality will make reference to the following classifications:
- (a) Services:
 - (i) trading services (as referred to in the Tariff Policy);
 - (ii) non-trading services (as referred to in the Tariff Policy).

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- (b) Expenditure:
 - (i) salaries, wages and allowances;
 - (ii) bulk purchases;
 - (iii) general expenditure;
 - (iv) repairs and maintenance;
 - (v) capital charges;
 - (vi) contribution to fixed assets;
 - (vii) contribution to funds;
 - (aa) bad debts;
 - (bb) working capital; and
 - (cc) statutory funds;
 - (viii) contribution to reserves;
 - (ix) gross expenditure [(i) to (viii)];
 - (x) less charge-out (inter-departmental charge-outs);
 - (xi) nett expenditure [(ix) less (x)];
 - (xii) income; and
 - (xiii) surplus/deficit [difference between (xi) and (xii)].
 - (c) Cost centres (to which the costs associated with rendering the service can be allocated):
 - (i) by department; (ii) by section/service; and
 - (iii) by division/service.
- (7) Differential rates may be levied in terms of the provisions of section 8 of the MPRA according to the permitted use or, where applicable, the actual use of the property concerned.

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- (8) In addition to the criteria specified above, the following criteria may be taken into account in determining whether a differential rate should be applied:
- (a) the need to promote economic development;
 - (b) any administrative advantages in applying a differential rate; and
 - (c) the need to alleviate the rates burden on the owners of any particular category of property specified in this policy.
- (9) Rates are levied in accordance with the MPRA as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in terms of Chapters 6 and 8 of the MPRA, respectively.

8. CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

- (1) The Municipality may levy different rates for different categories of rateable property, provided that the maximum ratio to the rate on residential property which may be imposed on agricultural property, farming property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.
- (2) All rateable property will be classified within a specific category and will be rated upon the said classification, which will be in accordance with the permitted use thereof, unless otherwise stated in this policy.
- (3) For purposes of levying different rates based on the permitted use of properties in terms of the provisions of section 8(1)(b) of the MPRA, read with sections

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3(3)(b) and 3(3)(c) of the MPRA, the following categories of property are determined, as well as the main criteria to be used in order to determine the category of the property:

(a) Residential property:

The criteria set out in the definition of “residential property” in terms of paragraph 1 of this policy applies *mutatis mutandis* as being the criteria to determine this category of property.

(b) Business and Commercial property:

Refers to property on which the activity of buying, selling or trading in goods and/or services occurs, but excludes a property that forms part of the multi purpose category, as referred to in sub-paragraph (3)(k) below. It includes any office or other accommodation on the same property, the use of which is incidental to the business, but excludes the business of mining. It further includes hostels, flats, communes, old age homes, guesthouses, bed and breakfast establishments and any vacant property which is being used for storage or parking in line with the zoning of such property.

(c) Industrial property:

Refers to property on which a trade or manufacturing, production assembling or the processing of finished or partially finished products from raw materials or fabricated parts occurs on such a large scale which involves significant capital and labour resources.

(d) Mining property:

Refers to property used for mining purposes or purposes incidental to mining operations.

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(e) Public service infrastructure property:

Refers to property utilised to accommodate publicly controlled infrastructure of the following kinds:

- (i) national, provincial or other public roads;
- (ii) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water or sewage pumps forming part of a water, waste water or sewer network serving the public;
- (iii) power stations, power sub-stations or power lines forming part of an electricity network serving the public;
- (iv) railway lines forming part of a national railway network;
- (v) communication towers, masts, exchanges or lines forming part of a communication network serving the public;
- (vi) runways or aprons at the municipal airport of the Municipality;
- (vii) any other publicly controlled infrastructure as may be prescribed; or
- (viii) rights of way, easements or servitudes in connection with infrastructure mentioned in sub-paragraphs (3)(e)(i) to (3)(e)(viii) above.

(f) Municipal properties:

Refers to property owned by, vested in or under the control and management of the Municipality and will consist of the following 2 (two) sub-categories:

(i) Municipal Property: Not Rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are not rateable:

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- (aa) public service infrastructure owned by the Municipality, including those referred to in sub-paragraph (3)(e) above;
 - (bb) waste-dump sites;
 - (cc) municipal burial grounds and adjacent public open space within the burial ground precinct;
 - (dd) property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this policy deemed to be public open space;
 - (ee) property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the Formalities in respect of Leases of Land Act, Act 18 of 1969, in which case the area subject to the lease shall be separately rated; and
 - (ff) municipal housing schemes.
- (ii) Municipal Property: Rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are rateable:

- (aa) property leased to third parties in terms of a lease registered in terms of the Formalities In Respect of Leases of Land Act, Act 18 of 1969. Where property owned by the Municipality is leased to a third party, the rating thereof shall be the prevailing rating applied to the principle property; and
- (bb) municipal property used for purposes other than those specified in sub-paragraph (f)(i) above.

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(g) Farming property:

Property in this category is limited to farming property zoned as farming and used for bona fide agricultural purposes with the property owner deriving his principal source of income from the produce of the land on such property. Farming property not used for bona fide farming purposes shall be rated according to the actual use thereof.

(h) State-owned or Organ of State-owned property:

(i) property owned by the State or an Organ of State is rateable and will be categorised according to the zoning of the property; and

(ii) if property owned by the State or an Organ of State is zoned for residential purposes, the rates must, after presentation of a certificate of occupancy, be levied in terms of the residential tariff.

(i) Smallholdings used for:

(i) bona fide agricultural and farming purposes:

refers to a smallholding used predominantly (60% or more) for bona fide agricultural and farming purposes.

(ii) residential purposes:

refers to a smallholding used for residential purposes only.

(iii) mixed use:

refers to a smallholding used predominantly for residential purposes (60% or more) but has significant portions of the property devoted to purposes that fall within other categories of property, but excludes hostels, flats, communes, old age homes, guesthouses, bed and breakfast establishments, and any vacant land irrespective of its zoning or intended usage.

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(iv) industrial purposes:

refers to a smallholding used for industrial purposes.

(v) business and commercial purposes:

refers to a smallholding which is used for business and commercial purposes.

(vi) any other purpose than those specified above:

such smallholdings will be categorised in terms of any of the property categories referred to in this policy which is in accordance with its predominant use.

(j) Protected areas:

Refers to property which receives protection because of its recognised natural, ecological and/or cultural values.

(k) Property used for Multiple Purposes:

Refers to a property which is used for more than one purpose and such property will be rated in accordance with the highest tariff applicable to the permitted use thereof.

(l) Education:

Refers to property owned by educational institutions which are registered with the South African Revenue Services in terms of the provisions of section 30 of the Income Tax Act and which provide education and development services as contemplated in terms of Part 1, section 4 of the Ninth Schedule to that Act.

(m) Public benefit organisation property:

Refers to property owned by a public benefit organisation and used for public benefit activities as listed in Part 1 of the Ninth Schedule to the Income Tax Act.

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(n) Property used for Religious purposes:

Refers to property registered in the name of and used solely as a place of public worship by a religious community, including an official residence registered in the name of such community which is occupied by an office-bearer of such community who officiates at services at that place of public worship.

(4) In determining the category of a property referred to in sub-paragraph (3) above, the Municipality will take into consideration the following criteria, or a combination thereof:

- (a) the actual dominant use of the property concerned;
- (b) conditions for township establishment and land use rights pertaining to the property;
- (c) the geographical area in which the property is situated;
- (d) the nature and extent of the improvements on the property.

(5) In order to ensure certainty and consistency in the application of the criteria mentioned in sub-paragraph (4) above, the Municipality will endeavour to apply the above criteria uniformly and in order of priority as follows:

- (a) properties must firstly be categorised in accordance with its permitted land use in terms of the Land Use Management Scheme;
- (b) in addition to the land use of a property, the actual dominant use of a property may also be used to categorise, or to narrow or confirm the category of such property. An inspection of the property concerned may be undertaken in order to obtain such information;
- (c) where the dominant and permitted use of a property differ, the actual dominant use will supersede the permitted use; and

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- (d) the geographical area where a property is situated, as well as the nature and extent of any improvements made to such property, may also be considered to categorise the property.

- (6) Property used for multiple purposes must be categorised and rated in accordance with the provisions of section 9 of the MPRA.

- (7) Property which is used in conflict to its zoning will be rated at the tariff applicable to properties used for business and commercial purposes.

- (8) Any property not falling within the ambit of the categories referred to above, shall be deemed to be business and commercial for the purposes of levying a rate.

CHAPTER 3

DIFFERENTIAL RATING, EXEMPTIONS, REDUCTIONS AND REBATES

9. DIFFERENTIAL RATING

- (1) The Municipality will apply a differential rating system based on the different property categories set out in paragraph 8 above, by means of a set rate to be applied to each category of property, provided that the maximum ratio to the rate on residential property which may be imposed on agricultural/farming property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.

- (2) The criteria for the implementation of the differential rating system on different categories of properties will be according to:
 - (a) the nature and use of the property;
 - (b) the sensitivity to rating of the category of property;
 - (c) the extent of municipal services and infrastructure available to the property;
 - (d) the nature and extent of reductions and rebates applicable to the owners of the category of property;
 - (e) the promotion of social and economic development; and
 - (f) whether the property is being used for the use permitted for the property by the provisions of the Land Use Management Scheme of the Municipality.

10. CATEGORIES OF PROPERTY OWNERS FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES AND THE CRITERIA FOR EXEMPTIONS, REDUCTIONS AND REBATES

For purposes of exemptions, reductions and rebates from the payment of a rate levied on the different categories of property as contemplated in terms of the provisions of section 15(1) of the MPRA, the following categories of property owners and the criteria to be applied for the granting of exemptions, reductions and rebates to these categories of property owners are determined:

(1) Exemptions:

The following properties are either exempted from paying rates, or the owners thereof may apply to the Municipality to be exempted from the paying of rates as indicated below:

(a) An owner of residential property:

- (i) low cost residential properties used for residential purposes are only fully exempted if the owner of such a property is a Registered Indigent in terms of the Municipality's Indigent Policy receiving indigent support. This is an important part of the Indigent Policy of the Municipality which is aimed primarily at alleviating poverty; and
- (ii) all residential properties with a market value of less than the amount annually determined by the Municipality in the Tariff Policy are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1)(h) of the MPRA

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are included in the amount referred to above as annually determined by the Municipality.

(b) Property owned by the Municipality:

The Municipality is exempted from paying rates in respect of the property referred to in sub-paragraph 8(3)(f)(i) above.

(c) Property owned by Public Benefit Organisations:

The following Public Benefit Organisations **may apply** in writing to the Municipality (as per “**Schedule D**”) for an exemption from paying rates on property, provided a true and certified copy of a tax exemption certificate which has been issued by the South African Revenue Services as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act is submitted together with such application:

(i) State or Organ of State owned Health Care Institutions:

State owned or Organ of State owned property used solely for health care institution purposes, provided that any and all profits from the use of such property are used entirely for the benefit of such health care institution.

(ii) Welfare Institutions:

Property used exclusively as an orphanage, non-profit retirement village, 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.

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(iii) Educational Institutions:

Property owned by a non-profit educational institution, registered as such in terms of the applicable legislation.

(iv) Charitable Institutions:

Property owned by a non-profit institution or organisation, which performs charitable work.

(v) Sporting Bodies:

Property owned by an organisation which main purpose is to use such property for sporting purposes on a non-professional and non-profitable basis.

(vi) Cultural Institutions:

Property owned by an institution declared to be subject to the provisions of the Cultural Institutions Act, Act 119 of 1998.

(vii) Museums, Libraries, Art Galleries and Botanical Gardens:

Museums, Libraries, Art Galleries and/or Botanical Gardens, operated on a non-profit basis and open to the public.

(viii) Youth Development Organisations:

Property owned and used by an institution or organisation for the provision of youth leadership or a youth development programme on a non-profit basis.

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(ix) Animal Welfare:

Property owned and used by an institution or organisation with the exclusive aim to protect birds, reptiles and/or animals on a non-profit basis.

(d) Property used for Religious purposes:

A Property used for Religious purposes as referred to in sub-paragraph 8(3)(n) above, is exempted from the payment of rates as per the provisions of section 17(1)(i) of the MPRA.

(e) Registered Indigents:

All Registered Indigents, registered in terms of the provisions of the Indigent Policy of the Municipality, shall be fully subsidised for the payment of property rates, as referred to in sub-paragraph (1)(a)(i) above as part of the indigent support such a person receives from the Municipality. The subsidy shall not be more than the applicable rate for that year, and will be applied for the duration of that particular financial year.

(2) An exemption from the payment of rates will only qualify to be considered for exemption by the Municipality subject to the following conditions:

- (a) on application, which application must be addressed in writing to the Municipality in the prescribed manner (as per “**Schedule D**”);
- (b) a true and certified copy of a tax exemption certificate issued by the South African Revenue Service must be submitted together with the application;

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- (c) the Municipal Manager or the person to whom the authority to approve an application for an exemption has been delegated, must consider and approve or dismiss the application;
 - (d) in considering the application for an exemption the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application;
 - (e) the application must be submitted to the Municipality before the end of **April preceding the start of the new municipal financial year (i.e. 1 July) for which such exemption is sought**; and
 - (f) the Municipality reserves the right to refuse any exemption if the details provided in the application are incomplete, incorrect or false.
- (3) Reductions:
- (a) The Municipality will consider reductions from rates payable by owners of property on an *ad hoc* basis, in any of the following circumstances:
 - (i) partial or total destruction of a property and/or improvements on such property; and
 - (ii) in the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property.
 - (b) A reduction from rates payable by owners of property will only be granted by the Municipality subject to the following conditions:
 - (i) the owner of a property in respect of which a reduction is applied for must apply in writing to the Municipality for such reduction, and the onus will rest on such applicant to prove to the satisfaction of the Municipality that such property has been totally or partially destroyed or affected by a disaster as

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contemplated in sub-paragraph (3)(a)(i) and (ii) above. Such owner will further have to indicate to which extent the property can still be used and the impact on the value of the property;

- (ii) the percentage of the reduction granted and the period for which the reduction will be granted, if any, is solely within the discretion of the Municipality;
- (iii) the Municipal Manager or the person to whom this authority to approve an application for a reduction has been delegated, must consider and approve or dismiss the application; and
- (iv) in considering the application for a reduction the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application.

(4) Rebates:

The Municipality will consider rebates from rates payable on certain categories of property and/or for certain categories owners of property, on the following basis:

(4A) Categories of property:

(a) Business, Commercial and Industrial property:

- (i) The Municipality may grant rebates to a person or enterprise who or which is the owner of rateable property and which promotes local, social and economic development within its municipal area as outlined in the “**Tariff Schedule**”, if any. In establishing the extent of the rebate, the following criteria will be used:

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- (aa) job creation within the municipal area;
 - (bb) social upliftment of the local community; and
 - (cc) establishment of infrastructure for the benefit of the local community.
 - (ii) A rebate of 20% may be granted on application to the Municipality as prescribed and set out in “**Schedule B**”, provided such application is submitted before the end of April preceding the financial year for which the rebate is applied for;
 - (iii) the Municipal Manager or the person to whom the authority to approve this application for a rebate has been delegated, must consider and approve or dismiss the application;
 - (iv) in determining the annual rebate the Municipality will take into consideration all relevant and applicable circumstances; and
 - (v) in considering the application for a rebate the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application.
- (b) State-owned or Organ of State-owned property:
- The State or an Organ of State will receive a rebate on rates applicable to State-owned or Organ of State-owned property, as determined per “**Tariff Schedule**” if any, in the event of the full payment of the rates before 30 September of the applicable financial year.

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(c) Agricultural and Farming property:

- (i) the owners of agricultural and farming property may be granted a rebate subject to such owner providing the Municipality with the prescribed information as set out in “**Schedule A**” and in the format provided in “**Schedule A**”;
- (ii) the prescribed information provided in the format of “**Schedule A**”, must be submitted to the Municipality before the end of April, preceding the financial for which the rebate is applied for;
- (iii) rebates may be granted by utilizing the criteria as set out in the “**Tariff Schedule**”.

(d) Public Service Infrastructure Property:

A rebate of 30% as mandated by the provisions of section 17(1)(a) of the MPRA will be granted by the Municipality for Public Service Infrastructure property as they provide essential municipal services to the local community.

(4B) Categories of owners:

(a) Retired and/or Disabled Persons Rate Rebate:

Retired and/or disabled persons qualify for special rebates according to their monthly household income as referred to and set out in the “**Tariff Schedule**”, if any. To qualify for this rebate a property owner must comply with the following requirements:

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- (i) occupies the property as his/her normal and only residence;
- (ii) be at least 60 years of age or have been awarded a disability pension from the Department of Social Development or other approved pension funds;
- (iii) be in receipt of a total monthly household income from any and all sources (including income of spouses of owner) as set out in the “**Tariff Schedule**”;
- (iv) not be the owner of more than one property;
- (v) 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;
- (vi) property owners must apply to the Municipality for the rebate on the prescribed application form as set out in the “**Schedule C**” and provide such documents as required therein;
- (vii) this application must be submitted to the Municipality before the end of September preceding the start of the new financial year of the Municipality for which the rebate is applied for;
- (viii) the Municipal Manager or the person to whom the authority to approve the application for a rebate has been delegated, must consider and approve or dismiss the application;
- (ix) in considering the application for a rebate the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application;

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- (x) the Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false; and
 - (xi) the extent of the rebate is set out in the “**Tariff Schedule**”.

- (5) Persons or entities, who are in terms of the provisions of this policy entitled to apply for and receive an exemption, reduction or rebate from the payment of a rate levied, must apply annually and in the prescribed manner for such an exemption, reduction or rebate, and any such exemption, reduction or rebate approved will only be valid and applicable for 1 (one) financial year, and for so long as the person or entity continue to meet all of the circumstances and conditions that entitled the exemption, reduction or rebate to be granted, whereafter the approved exemption, reduction or rebate will lapse. If eligible, the person or entity who or which is desirous to obtain an exemption, reduction or rebate for the next financial year, must proceed to apply for such an exemption, reduction or rebate in the prescribed manner. Exemptions, reductions and rebates shall only be valid and applicable when granted and where the applicant meets the criteria therefor.

- (6) A reduction, exemption or rebate granted to an applicant who does not qualify may be removed at any time.

- (7) Any person or entity receiving any exemption, rebate or reduction shall immediately notify the municipal manager of the Municipality, in writing, if the circumstances or conditions which entitled the Municipality to grant the exemption, rebate or reduction, change or ceases to exist.

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

- (1) The Municipal Manager must ensure that all exemptions, reductions, rebates and the phasing-in of certain rates, as contemplated in terms of the provisions of sections 15 and 21 of the MPRA, are appropriately disclosed in the annual operating budget, annual financial statements and annual report of the Municipality and that such exemptions, reductions, rebates and phasing-in of certain rates are clearly indicated on the rate account which is submitted to every respective property owner liable to pay rates to the Municipality.
- (2) The Municipal Manager must also disclose all costs in respect of such exemptions, reductions, rebates and/or phasing-in of rates.
- (3) The benefit in respect of and the reasons and criteria for the granting of certain exemptions, reductions, rebates and/or phasing-in of certain rates to the various property owners includes, but is not limited to:
 - (a) the promotion of local economic development which includes the promotion of business investments within the municipal area of the Municipality;
 - (b) job creation for the local community;
 - (c) the promotion of service delivery by *inter alia* farmers;
 - (d) poverty alleviation of indigent individuals;
 - (e) social and moral development, including assistance to religious institutions, sporting bodies, educational institutions and/or other nongovernmental organisations which promote health and/or other benefits to the local community; and
 - (f) improved local economic growth.

CHAPTER 4 GENERAL PROVISIONS

12. SPECIAL RATING AREAS

- (1) The Municipality may, if and when it deems necessary, by means of a Council resolution determine special rating areas in consultation with the relevant communities as provided for in terms of the provisions of section 22 of the MPRA.

- (2) The following matters shall be attended to in consultation with the property owners within the area where the Municipality considers to impose such special rating area:
 - (a) the proposed boundaries of the special rating area;
 - (b) statistical data in respect of the area concerned and any such further information as may be required by the property owners who owns property within the proposed special rating area;
 - (c) information in respect of the proposed improvements and/or upgrades, clearly indicating the estimated costs of each respective improvement and/or upgrade;
 - (d) the proposed financing of the improvements and/or upgrades;
 - (e) the priority of improvements and/or upgrades, if applicable;
 - (f) the socio economic factors of the relevant property owners concerned;
 - (g) the different categories of property;
 - (h) the amount of the proposed special rating;
 - (i) the details regarding the implementation of the special rating;

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- (j) the additional income which will be generated by means of the special rating; and
 - (k) the precise manner in terms of which the Municipality will utilize the additional income so generated.
- (3) A committee of property owners who own property within the proposed special rating area, consisting of 6 (six) property owners must be established in order to advise and consult the Municipality with regard to such proposed special rating area. This committee will be elected by the inhabitants within the proposed special rating area concerned, who must be at least 18 (eighteen) years of age. The election of the committee will commence under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no executive powers.
- (4) The consent required from the property owners who own property within the proposed special rating area, must be obtained in writing or by means of a formal voting process under the auspices of the Municipal Manager. The majority vote is regarded as 50% plus 1 (one), of the property owners concerned. Each property owner, being the receiver of the monthly account for the municipal rate, will have 1 (one) vote each.
- (5) In determining the special additional rates the Municipality shall differentiate between different categories as referred to in paragraph 8 above.
- (6) The additional rates levied must be utilized for the purpose of improving or upgrading the specific area only and not for any other purpose.

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- (7) The Municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the property owners concerned shall be kept informed of progress with projects and financial implications on an annual basis.

- (8) Council may approve a rebate, reduction or exception in a determined amount and for a determinable period to a specific property owner to set off or reduce any amounts payable by the Municipality to the property owner whether under a services agreement or otherwise.

13. RATE INCREASES

- (1) In terms of the provisions of section 17(3)(a)(ii) of the MFMA and section 24(2)(c)(i) of the MFMA, read with section 28(6) of the MFMA, the Municipality may only consider the increase of rates annually during the drafting and adoption of its annual budget.

- (2) Income derived from the increasing of rates must be used by the Municipality to finance any increase in operating costs of subsidized municipal services and/or any increase in the rendering of municipal services to the local community.

- (3) The following annual adjustments may be considered and/or made in respect of subsidized municipal services and/or the rendering of municipal services to the local community:
 - (a) salary and/or wage increases as agreed with the South African Local Government Bargaining Council;
 - (b) salary increases of managers directly accountable to the Municipal

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- Managers in terms of the provisions of section 56 of the Systems Act;
- (c) inflation adjustments in respect of general expenditure, repairs, maintenance and/or contributions to statutory funds; and
 - (d) additional depreciation costs, interest on and/or reduction of loans associated with the assets obtained by the Municipality during the previous financial year.
- (4) Extraordinary expenditure in respect of community municipal services which was not expected or budgeted for, may be financed by an increase of property rates.
- (5) The Municipality must take into consideration the ability of ratepayers to afford any proposed increase of rates prior to implementing any increase of property rates.
- (6) Any and all increases of property rates must be communicated to the local community in terms of paragraph 14 of this policy and the applicable provisions of the MFMA.

14. NOTIFICATION OF RATES

- (1) In terms of the provisions of section 16(2) of the MFMA, read with the provisions of section 22 of the MFMA, the public must be informed of the rates on property which the Municipality intends to levy in the next financial year as contained in the Municipality's annual budget. The public then may submit representations regarding the contents of the said annual budget in terms of the provisions of section 22(a)(ii) of the MFMA.

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- (2) Once the Council has, considered, in terms of the provisions of section 24(1) of the MFMA, amongst others, the representations by the public, the Council may proceed to approve the annual budget, and once it has done so the Municipality shall have levied the rate as contained in the annual budget as contemplated in terms of the provisions of section 24(2)(c)(i) of the MFMA.

- (3) The Municipality must give notice to the local community of the rates levied on property in accordance with the provisions of section 14 of the MPRA, which in turn requires that the resolution levying the rates on property be promulgated by publishing the resolution levying the rates in the Provincial Gazette and without undue delay after the passing of the resolution levying the rates:
 - (a) in terms of the provisions of section 14(3)(a) and (b) of the MPRA, whenever a Municipality passes a resolution as referred to in subparagraph (3) above, the Municipal Manger must, without delay:
 - (i) conspicuously display the resolution for a period of at least 30 (thirty) days:
 - (aa) at the Municipality's head and satellite offices and libraries; and
 - (bb) if the Municipality has an official website or a website available to it as envisaged in section 21B of the Systems Act, on that website; and
 - (ii) advertise in the media a notice stating that:
 - (aa) a resolution levying a rate on property has been passed by the Council; and
 - (bb) the resolution is available at the Municipality's head and satellite offices and libraries for public inspection during office hours and, if the Municipality has an official

website or a website available to it, that the resolution is also available on that website.

15. PAYMENT OF RATES

- (1) A ratepayer has the option to pay the rates for which such ratepayer is liable to the Municipality in one annual instalment on/or before the end of September of a given year, or to pay such rates on a monthly basis on/or before the due date indicated on the account.
- (2) If the owner of rateable property wishes to opt for the payment of rates annually in one instalment, such owner must notify the Municipal Manager in writing of such election and the owner will then become liable to the Municipality to pay the rates on an annual basis, and full payment of the rates to be received by no later than 30 September of a year.
- (3) Interest on arrear rates will be levied and payable as set out in terms of the provisions of section 75A(1)(b) of the Systems Act, read with section 97(1)(e) of the Systems Act and the applicable provisions of the Credit Control & Debt Collection Policy and by-laws of the Municipality.
- (4) If the owner of rateable property fails, neglects or refuses to pay such rates which is owing and due to the Municipality, the Municipality must recover such rates in accordance with the provisions of its Credit Control and Debt Collection Policy and by-laws of the Municipality, read with the provisions of Chapter 9 of the Systems Act.

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- (5) Arrear rates may be recovered from any tenants or occupiers of a rateable property or their agent as set out in terms of the provisions of sections 28 and 29 of the MPRA.

16. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

- (1) Rates on property in respect of a sectional title scheme, shall be levied on the individual sectional title units in the scheme and not on the property as a whole.
- (2) The rate levied on a sectional title unit is payable and must be recovered from the owner of such unit and no rates in respect of any such unit may be recovered from the established body corporate of the scheme.
- (3) The provisions of sub-paragraph (2) above do not exempt a body corporate of a sectional title scheme from the payment of rates on a sectional title unit in respect of which such body corporate is the owner.
- (4) A body corporate which controls a sectional title scheme may not apportion and collect rates contemplated in terms of the MPRA from the owners of the sectional title units in such scheme.
- (5) The common area of the property in sectional title schemes, shall be proportionally divided and included into each sectional title unit and these proportioned common area shall be payable by the owners of the specific sectional title units.

17. ACCOUNTS TO BE FURNISHED

- (1) The Municipality must furnish every owner of rateable property liable for the payment of such rates with a written account therefore, which account must provide:
 - (a) the amount due for such rates;
 - (b) the date upon or before which the rates are payable;
 - (c) the manner in terms of which the rates was calculated;
 - (d) the municipal value of the property for which the account was furnished;
and
 - (e) the percentage or amount of any applicable exemptions, reductions and/or rebates.

- (2) An owner of rateable property who/which is liable for the payment of such rates remains liable for the payment thereof, irrespective of whether or not such owner received an account furnished by the Municipality therefore.

- (3) An owner contemplated in sub-paragraph (2) above, must enquire and attempt to obtain such account from the Municipality for the payment thereof and is responsible for enquiring and ascertaining from the Municipality, monthly and timeously, the amount due to the Municipality should no account be received.

- (4) Where a rateable property is owned by 2 (two) or more owners, the Municipality may recover the applicable property rate therefore from anyone of the owners in order to reduce its administrative costs and in terms of the provisions of section 24(2)(a) of the MPRA.

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- (5) The Municipality and the ratepayer have the rights in respect of accounts as set out in terms of the provisions of section 102 of the Systems Act and the provisions of the Credit Control & Debt Collection Policy and by-laws of the Municipality dealing with accounts.

18. FREQUENCY OF VALUATION

- (1) The Municipality must prepare a new valuation roll at least every 4 (four) financial years, and reserves the right to extend the validity of the valuation roll to 5 (five) financial years in terms of the provisions of section 32(2)(b) of the MPRA.
- (2) Supplementary valuations will be done on a continuous basis to ensure that the valuation roll is properly updated, as provided for in terms of the provisions of section 78 of the MPRA.

19. COMMUNITY PARTICIPATION

This policy may only be adopted once the Municipality has followed a process of community participation, in accordance with the provisions set out in Chapter 4 of the Systems Act and section 4(2) of the MPRA, and the Municipality must further take all comments and representations received as a result of the community participation process into account when it considers the adoption of this policy.

20. REGISTER OF PROPERTY

The Municipality must compile, maintain and display a register of properties in accordance with the provisions of section 23 of the MPRA.

21. CERTIFICATE OF OCCUPANCY

- (1) Prior to a residential property being eligible for a residential rate or a rebate, a certificate of occupancy must have been issued in respect thereof, by the Municipality.
- (2) The onus of obtaining a certificate of occupancy rests with the owner of a property.

22. ILLEGAL USE OF PROPERTY

- (1) If a property is used for a use, other than that permitted for the property by the applicable provisions of the Land Use Management Scheme (also referred to as the “illegal use of the property”), the Municipality will be entitled to levy on the property concerned the highest tariff provided for in the differential rate categories of the Municipality.
- (2) (a) The owner of property contemplated in sub-paragraph (1) above then bears the onus of satisfying the Municipality that the illegal use of the property has ceased and may request in writing from the Municipality to proceed to reinstate the levying of rates against the property as per the valuation roll;

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- (b) such a request in writing by the owner of the property must be accompanied by an affidavit by the owner of the property, confirming that the illegal use of the property has been ceased and that the property is being used for the use allowed for the property in terms of the provisions of the Land Use Management Scheme;
- (c) the Municipality shall consider the request and if the cessation of illegal use of the property is verified and if the request is approved, the Municipality will reinstate the levying of rates against the property as per the valuation roll.

23. INSPECTION OF AND OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL OF THE MUNICIPALITY

- (1) Once the Municipality has given notice in terms of the provisions of section 49 of the MPRA that the valuation roll is open for public inspection, any person may within such period stated in section 49(1)(a) of the MPRA, in terms of the provisions of section 50(1) of the MPRA:
 - (a) inspect the roll during office hours;
 - (b) upon payment of a reasonable fee request the Municipality during office hours to provide an extract from the roll; and
 - (c) may lodge an objection with the Municipal Manager against any matter reflected in, or omitted from the roll.
- (2) An objection as contemplated in sub-paragraph (1)(c) above, must be in relation to a specific individual property and not against the valuation roll as a whole.
- (3) The lodging of an objection does not defer liability for the payment of rates beyond the date determined therefore.

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- (4) All objections received shall be dealt with in the manner prescribed in terms of the provisions of section 51 to section 54 of the MPRA.

24. BY-LAWS TO GIVE EFFECT TO RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of this policy.

25. POLICY REVIEW

This policy must be reviewed annually by the Council of the Municipality as prescribed in terms of the provisions of section 5 of the MPRA.



SCHEDULE "A"

**APPLICATION TO BE RATED AS AGRICULTURAL/FARMING PROPERTY
USED FOR AGRICULTURAL/FARMING PURPOSES**

FINANCIAL YEAR

Complete the following in full and return by hand to the offices of the Municipality, at the Taung Station, Main Road, TAUNG, NORTH WEST PROVINCE, or by post to P.O. Box __, Taung, _____. Only applications with the original commissioner's oath stamp and duly commissioned will be accepted i.e. no copies or faxed application will be considered. Please note that the onus lies with the applicant to confirm that the Municipality has received his/her application.

Farm / Erf No.:		Portion No.:	
Farm Name:			

If you have previously been granted a bona fide farmers rebate and an inspection was carried out on your property, kindly provide the certificate number which was issued to you.											
Municipal Account Number:											
Registered Owner of Property: (full names)											
Physical Address of Owner:											
Postal Address of Owner:											
Telephone No.:	Home:						Work:				
	Cell:						Fax:				
E-mail Address:											

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Is any portion of the property used for any purpose other than agriculture? (e.g. business, mining, eco-tourism, trading in or hunting game)

Mark with a 'X'

YES	NO

IF YES, DESCRIBE: _____

LAND USE ANALYSIS

Number of boreholes	
Output – Litres / Hour	
Dams capacity	

Is the property exposed to a river?			
Yes		No	

Type of Farming (mark with a 'X')	Cash Crop	Citrus	Soft Fruit	Poultry	Livestock	Pasture	Grazing	Dairy
Other (please specify)								

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LAND INFORMATION	EXTENT	LIVE STOCK INFORMATION	NUMBER OF LIVESTOCK
Arable – Dry		Cattle	
		Sheep	
Arable – Irrigation		Poultry	
		Goats	
Pasture – Dry		Pigs	
Pasture – Irrigation			
Grazing – Veld			
Cash Crop			
Home site and farmyard			
Other (specify)		Other (specify)	

Building No.	Description	Size M ²	Condition	Is the building functional

I the undersigned, _____ (first name and surname printed) in my capacity as _____ do hereby declare under oath that:

- (1) the contents of this application and affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;
- (2) the above property complies with all the abovementioned conditions for an agricultural/farming property in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality’s Rates Policy;

GTLM RATES POLICY

- (3) I authorise that the Municipality may inspect the property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;
- (4) I confirm that I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;
- (5) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act, Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality; and
- (6) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me herein or otherwise, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

I further confirm under oath that:

(DELETE WHERE NOT APPLICABLE)

- (1) I/The owner of the above referred to property **conducts / do not conduct** *bona fide* farming activities on the property and I/the owner derive more than 50% of my/his/her/its income from the *bona fide* farming activities conducted on the property;
- (2) I/The owner **avails / do not avails** land/buildings for cemetery, residential, educational and recreational purposes for the farm workers and their dependants and the nearby community in general, of which the details are as follows:

_____;
- (3) The residential units on the above property **are / are not** provided with potable water;

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(4) The residential units on the above property **are / are not** utilised for residential purposes by the farm workers employed on the above property;

(5) The residential units on the above property **have / have not** been provided with electricity;

(6) The residential units on the above property **are / are not** permanent residential property and **have / have not** been registered in the name of the farm workers employed on the above property;

(7) The salaries/wages of farm workers employed on the above property **meet / do not meet** the prescribed minimum standards in terms of the applicable labour legislation;

(8) I/The owner **contributes / do not contribute** to the social upliftment of the local community, of which the details are as follows:

_____;

(9) I/The owner **established / did not establish** infrastructure on the above property for the benefit of the local community, of which the details are as follows:

_____;

(10) I/The owner is registered as a bona fide farmer with SARS, and the last tax assessment is attached hereto as proof;

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**SIGNATURE OF AUTHORISED
PERSON ON BEHALF OF APPLICANT**

DATE

Signed and sworn before me at _____ on this the ____ day of _____
20___, the deponent having acknowledged that he/she knows and understands the contents of this
declaration and that he/she has no objection to the taking of the prescribed oath and that he/she
considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July
1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES

SIGNATURE

COMMISSIONER OF OATH'S STAMP





SCHEDULE "B"

APPLICATION FOR A RATE REBATE BY A PERSON OR ENTERPRISE WHO OR WHICH IS THE OWNER OF RATEABLE PROPERTY AND WHO OR WHICH PROMOTES LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

FINANCIAL YEAR

Complete the following in full and return by hand to the offices of the Municipality, at the Taung Station, Main Road, TAUNG, NORTH WEST PROVINCE, or by post to P.O. Box __, Taung, _____. Only applications with the original commissioner's oath stamp and duly commissioned will be accepted i.e. no copies or faxed application will be considered. Please note that the onus lies with the applicant to confirm that the Municipality has received his/her application.

Erf:		Portion No.:		Suburb:	
Name of Enterprise:					
Registration No. of Enterprise:					
Municipal Account Number:					
Registered Owner of Property:					
(full names or organisation name)					
Usage (purpose for which the property is used):					
Physical Address of Enterprise:					
Postal Address of Enterprise:					
Telephone No.:	Home:		Work:		
	Cell:		Fax:		
E-mail Address:					

The following documentation must be attached:

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- the business plan of the enterprise indicating how the local, social and economic development objectives of the Municipality is met;
- a continuation plan issued by the directors/members of the enterprise and certified by the auditors of the enterprise stating that the objectives have been met in the first year after establishment and in which manner the enterprise will continue to meet the objectives;
- a true and certified copy of the documents of establishment of the enterprise, e.g. Trust Deed, Memorandum of Articles of Association, constitution or any other written confirmation or document under which or officially confirming that the organisation was established;
- a resolution by the enterprise, authorising the signee to apply for this rebate on behalf of the enterprise;
- a true and certified copy of the authorised person's identity document; and
- a true and certified copy of the most recent approved and signed audited financial statements.

I the undersigned _____ **(first name and surname printed)** in my capacity as _____, and duly authorised representative of the Applicant do hereby declare under oath that:

- (1) the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;
- (2) I give permission that the Municipality may inspect the property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;
- (3) I confirm that I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;
- (4) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act, Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality;
- (5) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information;

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(6) I confirm that the enterprise promotes local, social and economic development within the municipal area of the Municipality in the following manner:

(7) I confirm that the enterprise creates jobs within the municipal area, in the following manner:

(8) I confirm that the enterprise is involved and contributes to social upliftment of the local community, in the following manner:

(9) I confirm that the enterprise established the following infrastructure for the benefit of the local community:

**SIGNATURE OF AUTHORISED
PERSON ON BEHALF OF APPLICANT**

DATE

GTLM RATES POLICY

Signed and sworn before me at _____ on this the ____ day of _____
20____, the deponent having acknowledged that he/she knows and understands the contents of this
declaration and that he/she has no objection to the taking of the prescribed oath and that he/she
considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July
1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES

SIGNATURE

COMMISSIONER OF OATH'S STAMP





SCHEDULE "C"

APPLICATION FOR A PENSIONER'S AND/OR DISABLED PERSON'S
PROPERTY RATES REBATE

FINANCIAL YEAR

To qualify for a pensioners and/or disabled person's property rates rebate, a retired and/or disabled property owner must:

- (a) be a natural person;
- (b) the property must be categorised as residential;
- (c) be the owner of the property on the 1st of July of the year which is being applied for;
- (d) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse/partner or minor children may satisfy the occupancy requirement;
- (e) be a pensioner i.e. be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60; **or** be a disabled person, i.e. be in receipt of disability grant/pension and submit proof of the nature of the disability e.g. letter from doctor, with the application.
- (f) be in receipt of a total gross annual income from all sources, excluding medical aid contributions received, child support / grant **but including** the income of the spouse/partner of the owner and **all** persons normally residing on that property, **not exceeding R60 000.00 per annum (R5 000.00 per month)**;
- (g) not be in receipt of indigent support; **in addition:**
- (h) an usufructuary will be regarded as the owner;
- (i) the owner will only qualify for one rebate per year, in other words the percentage rebate granted will remain in effect for the year, it will not be amended on an *ad hoc* basis should the household's financial circumstances change during the year; and
- (j) applications will only be considered if there are no outstanding balances on any of the owner's municipal accounts. If there are outstanding balances, the application will only be considered after arrangements have been made at the Municipality, to pay the outstanding amounts. Furthermore, the owner must ensure that he/she continues to pay the rates account in full until the rebate is granted, as no interest or monies due will be reversed.

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This application must be accompanied by the following documents:

- original certified copy of bar-coded identity document; (owner and spouse/partner)
- pension statements (of owner and spouse/partner), last 3 months bank statements from **all bank, investment and retirement annuity accounts of owner and spouse/partner**, and proof of gross salary of any other persons living on the property (not just rental received). All documents provided must clearly state who it relate – documents which do not reflect person’s name or ID number on will not be considered;
- a certified affidavit declaring any assistance (financially or otherwise) from any other sources including any assistance from family members. (Assistance received from family members will not however be included in the calculation of household income);
- provide a certified affidavit to explain **all** once-off monies received e.g. gifts, donations, pension payouts (e.g. on retirement), all bonuses, refunds, cash deposits, etc.; and
- in the case of usufructuary – a certified copy of the legal documents granting the usufruct such rights.

Please note: The Municipality can request any other document it deems necessary to substantiate the application.

Kindly complete the following in **FULL** and return by hand to the Greater Taung Local Municipality, at the Taung Station, Main Road, TAUNG, NORTH WEST PROVINCE, or by post to P.O. Box __, Taung, _____. Only applications with the original commissioner’s oath stamp will be accepted i.e. no copies or faxed applications will be considered.

Erf/Unit No.:		Suburb/Sectional Title Name:	
Municipal Account N .:			
Registered Owner of property:			
(full names)			
Physical Address of owner:			
Postal Address of Owner:			

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Telephone No.:	Home:		Work:	
	Cell:		Fax:	
E-mail Address:				

Gross Income Details	GROSS INCOME – SELF (Annual)	GROSS INCOME – SPOUSE/PARTNER (Annual)
Income from employer:		
Pension:		
Annuity:		
Interest on savings:		
Rentals:		
Financial assistance – from children etc.:		
Other: (please specify)		
TOTAL		

Occupants (Full Names)	Relationship	Age	Gross Income (Annual)

I the undersigned _____ (**first name and surname printed**) in my capacity as _____ of _____ *(in the event of this application being completed by a person other than the applicant, by reasons of the fact that the applicant is not able to complete this application him/herself, then the person completing this application must state his/her full details and address, as well as the capacity in which he/she is representing or assisting the applicant)* do hereby declare under oath:

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- (1) that the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;
- (2) I confirm that the above property complies with all the abovementioned conditions for a pensioner's and/or disabled person's rebate in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality's Rates Policy;
- (3) that I give permission that the Municipality may inspect the above property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;
- (4) I did provide all the required documentation as stipulated on page 1 and 2 of this application;
- (5) I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;
- (6) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality; and
- (7) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

**SIGNATURE OF APPLICANT OR AUTHORISED
PERSON ON BEHALF OF APPLICANT**

DATE

Signed and sworn before me at _____ on this the _____ day of _____
20____, the deponent having acknowledged that he/she knows and understands the contents of this
declaration and that he/she has no objection to the taking of the prescribed oath and that he/she

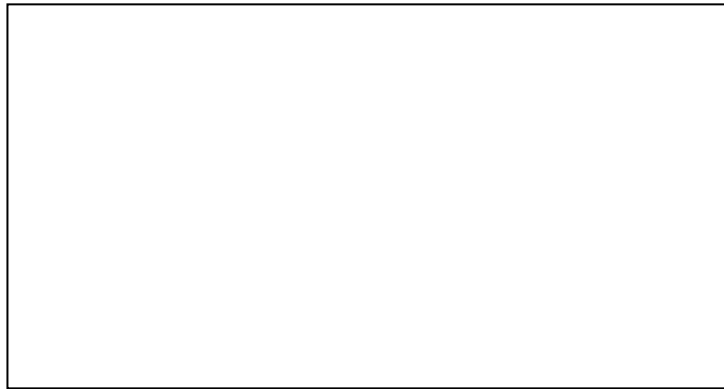
GTLM RATES POLICY

considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES

SIGNATURE

COMMISSIONER OF OATH'S STAMP





SCHEDULE "D"
APPLICATION FOR PUBLIC BENEFIT ORGANISATIONS

FINANCIAL YEAR

Applications for exemptions by Public Benefit Organisations must be accompanied by a letter from the SARS confirming that the organisations qualifies for exemption in terms of the Section 30 Income Tax Act, 1962, read with the Ninth Schedule to that Act.

All property owners seeking an exemption must submit either a letter from their auditors, or annual financial statements confirming that the applicant qualifies for an exemption.

THE FOLLOWING DOCUMENTATION MUST BE ATTACHED:

1. A true and certified copy of the constitution, trust deed, memorandum of articles of association, or any other written instrument under which the organisation was established.
2. A true and certified copy of the tax exemption certificate issued for the organisation by the South African Revenue Service, as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, Act 58 of 1962.
3. A resolution by the organisation, authorising the signee to apply for this exemption, on behalf of the organisation.
4. A true and certified copy of the authorised person's Identity Document.
5. A true and certified copy of the most recent, approved and signed audited financial statements.

The effective date of the rebate will be the date when the Municipality approves the application, irrespective of whether the property qualified for exemption in terms of its use prior to that date.

Kindly complete the following in FULL and return by hand to the Municipality, at the Taung Station, Main Road, TAUNG, NORTH WEST PROVINCE, or by post to P.O. Box __, Taung, ____.

Only applications with the original commissioner's oath stamp will be accepted i.e. no copies or faxed applications will be considered.

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Erf:		Portion No.:		Suburb:	
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Municipal Account Number:														
Registered Owner of Property:														
(full names or organisation name)														
Physical Address of Organisation:														
Postal Address of Organisation:														
Telephone No.:		Home:			Work:									
		Cell:			Fax:									
E-mail Address:														

I the undersigned _____ **(first name and surname printed)** in my capacity as, _____, and duly authorised by the Applicant to apply for this rebate on behalf of the Applicant, do hereby declare under oath

- (1) that the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;
- (2) that the above property complies with all the abovementioned conditions for a Public Benefit Organisation and not-to-gain institutions exemption, in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality's Rates Policy;
- (3) that I give permission that the Municipality may inspect the above property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;
- (4) I confirm that I will provide all the required documentation as stipulated on page 1 of this application;
- (5) I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;
- (6) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act,

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Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality;
and

(7) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw

any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

**SIGNATURE OF AUTHORISED
PERSON ON BEHALF OF APPLICANT**

DATE

Signed and sworn before me at _____ on this the ____ day of _____
20____, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES SIGNATURE

COMMISSIONER OF OATH'S STAMP

