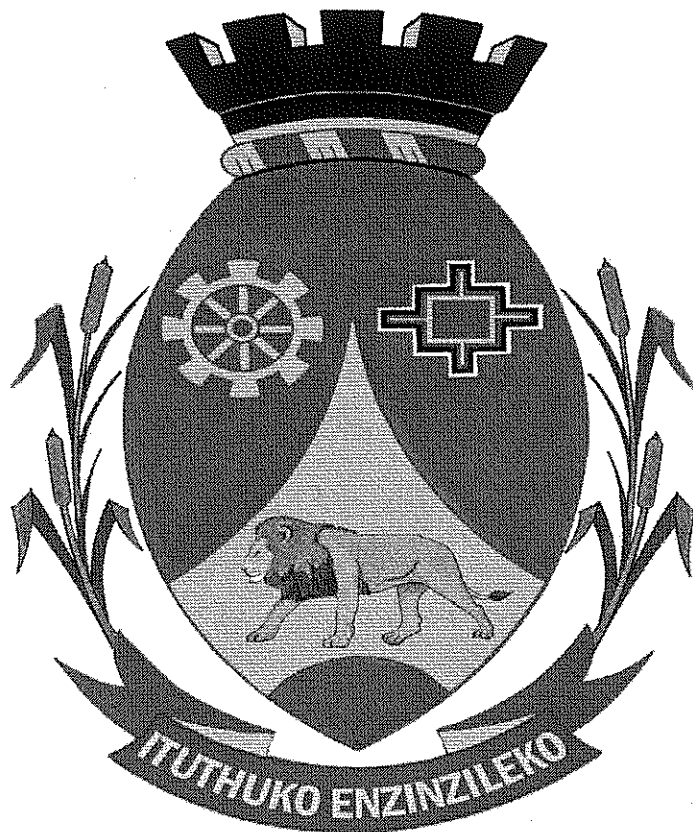


THEMBISILE HANI LOCAL MUNICIPALITY



PROPERTY RATES BY-LAW



THE PROVINCE OF MPUMALANGA
DIE PROVINSIE MPUMALANGA

Provincial Gazette Extraordinary
Buitengewone Provinsiale Koerant

(Registered as a newspaper) • (As 'n nuusblad geregistreer)

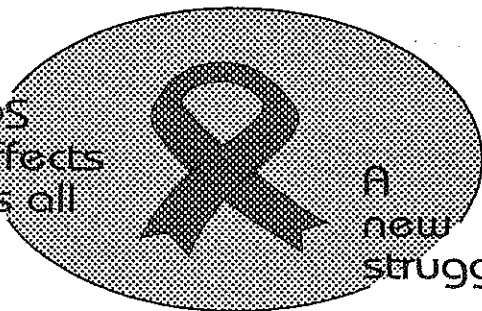
Vol. 20

NELSPRUIT, 15 FEBRUARY 2013
FEBRUARIE

No. 2138

We all have the power to prevent AIDS

AIDS
affects
us all



A
new
struggle

AIDS
HELPLINE

0800 012 322

DEPARTMENT OF HEALTH

Prevention is the cure

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes

PART 1 OF 2



9771682451008

02138



IMPORTANT NOTICE

The Government Printing Works will not be held responsible for faxed documents not received due to errors on the fax machine or faxes received which are unclear or incomplete. Please be advised that an "OK" slip, received from a fax machine, will not be accepted as proof that documents were received by the GPW for printing. If documents are faxed to the GPW it will be the sender's responsibility to phone and confirm that the documents were received in good order.

Furthermore the Government Printing Works will also not be held responsible for cancellations and amendments which have not been done on original documents received from clients.

CONTENTS • INHOUD

<i>No.</i>		<i>Page No.</i>	<i>Gazette No.</i>
LOCAL AUTHORITY NOTICE			
14	Constitution of the Republic of South Africa (108/1996): Thembisile Hani Local Municipality: By-laws	3	2138
	Animal By-laws	3	2138
	Barbers, Hairdressers and Beauticians By-laws	18	2138
	Credit Control and Debt Collection By-laws	31	2138
	Encroachment on Municipal Property By-laws	73	2138
	Fixed Assets By-laws	91	2138
	Funeral Parlours, Cemeteries and Crematoria By-laws	108	2138
	Indigent By-laws	134	2138
	Control of Outdoor Signs By-laws	141	2138
	Property Rates By-laws	157	2138
	Solid Waste Management By-laws	185	2138
	Street Trading By-laws	220	2138
	Tariff By-laws	230	2138
	Water Supply and Sanitation Services By-laws	244	2138
	Work in Road Reserve By-laws	287	2138

THEMBISILE HANI LOCAL MUNICIPALITY**PROPERTY RATES BY-LAW**

In terms of Section 13 of the Local Government: Municipal System Act No.32 of 2000 as amended; the Thembisile Hani Local Municipal ("the municipality") hereby published the Property Rates By-laws set forth hereinafter, which have been made by the Municipality in terms of Section 6 of the Local Government: Municipal Property Rates Act 6 of 2004.

TABLE OF CONTENTS

1. Preamble
2. Definitions
3. The purpose of this By-law
4. Fundamental principles
5. Application of this By-law
6. Equitable treatment of ratepayers
7. Discretionary resolutions adopted by the Municipality with respect to levying of rates
8. Categories of properties for differential rating purposes
9. Relief measures for property owners
10. Multiple-purpose properties
11. Community participation
12. Recovery and payment of rates
13. Phasing in of the new market value
14. Special rating area
15. Review process
16. Short title
17. Implementation date

1. Preamble

Whereas:-

- 1.1 It is enshrined in Section 229 of the Constitution (Act 108 Of 1996) that a municipality may impose rates on property within a regulatory framework.
- 1.2 The Municipal Property Rates Act, 2004 (Act no. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:-
 - 1.2.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-law;
 - 1.2.2 Criteria for determination of categories of properties and deferential rates for each category of properties;
 - 1.2.3 Criteria to be applied for granting rates relief measures;
 - 1.2.4 Levying of rates in sectional title schemes;
 - 1.2.5 Appointment of a municipal valuer for preparation of a general valuation roll.
- 1.3 In terms of Section 4(1) (c) (ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with Section 2 of the said Local Government: Municipal Property Rates Act, the municipality has the right to finance the affairs of the municipality by imposing, *inter-alia*, rates on property. In terms of Section 4(2) of the Local Government: Municipal Systems Act, 2000 (32 of 2000), council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to:-
 - (a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
 - (b) Provide, without favour or prejudice, democratic and accountable government;
 - (c) Encourage the involvement of the local community;
 - (d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
 - (e) Consult the local community about:-
 - (i) The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and

- (ii) The available options for service delivery;
 - (f) Give members of the local community equitable access to the municipal services to which they are entitled;
 - (g) Promote and undertake development in the municipality;
 - (h) Promote gender equity in the exercise of the municipality's executive and legislative authority;
 - (i) promote a safe and healthy environment in the municipality;
 - (j) contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution; and
- 1.4 Further, a municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.
- 1.5 In terms of Section 62 of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a By-law as per Section 6 of the said Local Government: Municipal Property Rates Act.

2. Definitions

All words and phrases in this By-law shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act to be *mutatis mutandis* applied in this By-law.

Unless the context indicates otherwise:-

“**Act**” means the Local Government: Municipal Property Rates Act (Act 6 of 2004);

“**Child headed household**” means a household recognized as such in terms of Section 137 of the Children's Amendment Act, 41 of 2007;

“**Actual use**” means actual activities that are taking place on the property;

“**Agent**” in relation to the owner of a property, means a person appointed by the owner of the property:-

- (a) to receive rental or other payments in respect of the property on behalf of the owner;
- or

(b) to make payments in respect of the property on behalf of the owner;

“Agricultural purposes” in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game;

“Annually” means once every financial year;

“Category”:-

(a) in relation to property, means a category of properties determined in terms of Section 8; and

(b) in relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;

“Community services” means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates;

“Date of valuation” means 02 July 2008 as determined by the municipality council as per resolution in item c (8) paragraph (c);

“Disabled people” means a person who qualifies to receive relief in terms of the Social Services Act, 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioner;

“Disaster” means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic condition;

“Effective date”:-

(a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1); or

(b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2) (b);

“Exclusion” in relation to a municipality’s rating power, means a restriction of that power as provided for in Section 17;

“Exemption” in relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15;

“Financial year” means the period starting from 1 July in each year to 30 June the following year;

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“indigent household” means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality’s indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;

“Land reform beneficiary” in relation to a property, means a person who:-

- (a) acquired the property through:-
 - (i) The Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
 - (ii) The Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);
- (b) Holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

“Land tenure right” means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004;

“Local community” in relation to a municipality:-

- (a) means that body of persons comprising:-
 - (i) The residents of the municipality;
 - (ii) The ratepayers of the municipality;
 - (iii) Any civic organizations and nongovernmental, private sector or labor organizations or bodies which are involved in local affairs within the municipality; and
 - (iv) Visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“Local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is

described in Section 155(1) of the Constitution as a category B municipality. Establish in terms of Section 12 of the Municipal Structures Act No. 117 of 1998;

“Market value” in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

“Municipal Finance Management Act” means the Local Government: Municipal Finance Management Act No. 56 of 2003;

“Municipal Manager” means a person appointed in terms of Section 82 of the Municipal Structures Act;

“newly ratable property” means any ratable 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) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the *Gazette* where the phasing in of a rate is not justified;

“Non-profit organization” means any organization which is registered in terms of the Non-profit Organizations Act;

“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;

“Organ of state” means an organ of state as defined in Section 239 of the Constitution;

“Owner”:-

- (a) In relation to a 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;
- (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; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of property, means the organ of state which owns or controls that public

service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-

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

“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
- b) Any legislation applicable to any specific property or properties; or
- c) Any alleviation of any such restrictions;

“Person” means natural and legal person including an organ of state;

“Prescribe” means prescribe by regulation in terms of Section 83 of the Act;

“Privately owned township” means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub-divisions or township

establishment units (ten or more) full title stands and/ or Sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township;

“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;

“Property register” means a register of properties referred to in Section 23;

“Protected area” means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act;

“Protected Areas Act” means the National Environmental Management: Protected Areas Act, 2003;

“Publicly controlled” means owned by or otherwise under the control of an organ of state, including:-

- a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);
- b) a municipality; or
- c) a municipal entity as defined in the Municipal Systems Act;

“Public benefit organization property” means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act;

“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, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- c) Power stations, power substations or power lines forming part of an electricity scheme serving the public;
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- e) Railway lines forming part of a national railway system;
- f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- g) Runways or apron 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) and (i);

“Rate” means a municipal rate on property envisaged in Section 229(1) (a) of the Constitution;

“ratable property” means a property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17;

“Rebate” in relation to a rate payable on a property, means a discount granted in terms of Section 15 on the amount of the rate payable on the property;

“reduction” in relation to a rate payable on a property, means the lowering in terms of Section 15 of the amount for which the property was valued and the rating of that property at the lower amount;

“Register”:-

- a) Means to record in a register in terms of:-

- (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- b) includes any other formal act in terms of any other legislation to record:-
- (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

“Residential property” means a property included in a valuation roll in terms of Section 48(2) (b) as residential;

“Sectional Titles Act”: the Sectional Titles Act, 1986 (Act No. 95 of 1986);

“Sectional title scheme”: a scheme defined in Section 1 of the Sectional Titles Act;

“Smallholding” means a property recorded in the Deeds Registry Database as being an Erf and zoned for Agricultural usage in terms of an adopted Town Planning Scheme;

“Sectional title unit”: a unit defined in Section 1 of the Sectional Titles Act;

“Small, very small and micro business” means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;

“Special rating area” means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;

“Specified public benefit activity”: an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

“State trust land” means land owned by the state:-

- a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- b) over which land tenure rights were registered or granted; or
- c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

“The Municipality” means the Thembisile Hani Local Municipality;

“Value of property” means the market value of the property as valued in terms of the Act;

“Vacant land” means unimproved land, irrespective of the category of property or zoning in an urban or semi -urban areas.

3. The purpose of this By-law

The purpose of this By-law is to:-

- 3.1 comply with the provisions of the Municipal Property Rates Act, specifically with Section 3 and 6 thereof;
- 3.2 give effect to the principles outlined hereunder;
- 3.3 ensure the equitable treatment of persons liable for rates;
- 3.4 determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.5 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.6 determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 3.7 determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.8 determine how the municipality’s powers must be exercised in relation to multi-purpose properties;
- 3.9 determine measures to promote local economic and social development; and
- 3.10 identify which categories of properties the municipality has elected not to rate as provided for in Section 7 of the Act.

4. Fundamental principles of this By-law

The principles of the By-law are to ensure that:-

- 4.1 the power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;

- 4.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- 4.3 property rates will be assessed on the market value of all ratable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:-
 - 4.3.1 Profits generated on trading and economic services; and
 - 4.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 4.4 property rates will not be used to subsidize trading and economic services;
- 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 4.6 this By-law and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

5. Application of this By-law

5.1 Imposition of rates

- 5.1.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all ratable property as recorded in the municipality's valuation roll and supplementary valuation roll. Ratable property shall include a property on which the municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.
- 5.1.2 The council pledges itself to limit the annual increase of the rate in the rand in accordance with the National Treasury guidelines and the approved integrated development priorities.

5.2 Classification of municipal services and expenditure

- 5.2.1 The municipal manager or his/her nominee herewith provides the following classification of services which might be amended from time to time as per the guidelines provided by the National Treasury, other relevant authorities and/or the Municipal Council:-

5.2.1.1 Trading services:-

- (a) Water

(b) Electricity

5.2.1.2 Economic services:-

(a) Refuse removal

(b) Sanitation

5.2.1.3 Community services:-

(a) Air pollution

(b) Fire fighting services

(c) Local tourism

(d) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law

(e) Storm water management system in built-up areas

(f) Trading regulations

(g) Fixed billboards and the display of advertisements in public places

(h) Cemeteries

(i) Control of public nuisances

(j) Township development

(k) Facilities for accommodation, care and burial of animals

(l) Fencing and fences

(m) Licensing of dogs

(n) Licensing and control of undertakings that sell food to the public

(o) Local amenities

(p) Local sport facilities

- (q) Municipal parks and recreation
- (r) Municipal roads
- (s) Noise pollution
- (t) Pounds
- (u) Street trading/street lighting
- (v) Traffic and parking
- (w) Building control
- (x) Licensing of motor vehicles and transport permits
- (y) Nature reserves

5.2.1.4 Subsidized services:-

- (a) Health and ambulance
- (b) Libraries and museums
- (c) Proclaimed roads

5.2.2 Trading and economic services must be ring fenced and financed from service charges while community and subsidized services will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

5.2.3 Expenditure will be classified in the following categories:-

- (a) Salaries, wages and allowances
- (b) Bulk purchases
- (c) General expenditure
- (d) Repairs and maintenance
- (e) Capital charges (interest and redemption)/depreciation
- (f) Contribution to fixed assets
- (g) Contribution to funds:-

- i. bad debts
 - ii. Working capital; and
 - iii. Statutory funds
- (h) Contribution to reserves.

5.2.4 Cost centres will be created to which the costs associated with providing the service can be allocated:-

- (a) By Department;
- (b) By Divisions; and
- (c) By Service.

5.2.5 The classification by subject of expenditure, each with a unique vote will be applied to all cost centres.

6. Equitable treatment of ratepayers

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act.
- 6.2 Any differentiation in the levying of rates must not constitute unfair discrimination.

7. Discretionary resolutions adopted by the Municipality with respect to levying of rates

It is recorded that the Municipality has adopted the following resolutions:-

- 7.1 To levy rates on all ratable property in its area of jurisdiction;
- 7.2 To determine the date of implementation as being 1 July 2009;
- 7.3 To determine the date of general valuation as being 2 July 2008;
- 7.4 To levy different cents in the rand for different categories of ratable property;
- 7.5 That the categories of properties for the purpose of differential rating are those specified in this By-law document;

- 7.6 That the criteria for the categorization in terms of Section 8(1) of the Act shall be actual use where a property is improved and where the land is vacant, on permitted use;
- 7.7 in case of a property used for multiple-purposes the category shall be determined according to the dominant use of the property;
- 7.8 to rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market related value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 7.9 to not rate properties of which the municipality is the owner, except where leased to a third party.

8. Categories of properties for differential rating purposes

- 8.1 For the purposes of differential rates, the following categories of ratable property have been determined, being:-

8.1.1 Residential property

Means improved property that:-

- (a) Is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes; and
- (c) Is owned by a share-block company and used solely for residential purposes.

8.1.2 Residential property with special consent

Means improved property that is granted additional rights and consent use other than residential in terms of the Town Planning Scheme.

8.1.3 Business, commercial and industrial property

Means improved property that is predominantly used for business, commercial and industrial purposes.

8.1.4 Agricultural property

Means a property envisaged in Section 8(2)(d), (e) and (f) of the Act.

8.1.5 State or government property

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

8.1.6 Public service infrastructure

Means a property as defined by the Act.

8.1.7 Public benefit organization property

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

8.1.8 Mining property

Means property on which an operation or activity of extracting minerals is conducted and includes any operation or activity incidental thereto.

8.1.9 Rural communal land

Means the residual portion of a rural communal land excluding identifiable and ratable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

8.1.10 State trust land

Means land owned by the state:-

- (a) In trust for persons communally inhabiting the land in terms of a traditional system of a land tenure;
- (b) Over which land tenure rights were registered or granted; and
- (c) Which is earmarked for disposal in terms of the Restitution of Land Rights.

8.1.11 Municipal property

In relation to property shall mean those properties owned & exclusively used by the municipality;

8.1.12 Places of public worship

Means a property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at the services at that place of worship;

8.1.13 Protected area

Means an area that is, or has to be, listed in the register referred to in Section 10 of the Protected Areas Act.

8.1.14 other property

Means any property determined by the Municipality which is not associated with any of the categories of property listed above.

8.1.15 vacant land

Means unimproved land, irrespective of the category of property or zoning in urban or semi-urban areas.

8.2 Differential rating among the above determined categories of properties will be done by way of setting different rates in the rand for each property category.

8.3 The criteria for weighting the categories determined above, for the purpose of determining cent in a rand amount (rates tariff) for each category, must take account of the following:-

8.3.1 the reliance or otherwise of the owners of specific categories of property on services supplied by the Municipality;

8.3.2 the strategic importance of a category of property with reference to the aims and objectives of the municipality and the Government of the Republic of South Africa as a whole (such as social, economic and developmental issues); and

8.3.3 the nature of the category of property, including its sensitivity to rating (for example agricultural properties used for agricultural purposes).

8.4 The following principles and Section 8.3 above shall be applied for the determination of the cents in the rand:-

- 8.4.1 the activities that take place on business, commercial, industrial and government properties have been identified as the cost drivers for community services;
- 8.4.2 the rate ratio between residential and the properties mentioned in 8.3.1 above shall be 1:2.5 to business; and 1:0.25 to agricultural properties;
- 8.4.3 the rate ratio between residential and residential property with special consent shall be 1:1.5;
- 8.4.4 the rate ratio between residential and government property shall be 1:3;
- 8.4.5 the rate ratio between residential and properties categorized as other and mining shall be 1:2.5;
- 8.4.6 the rate ratio between residential and agricultural property shall be 1:0.25 as prescribed by the Act;
- 8.4.7 the rate ratio between residential and public service infrastructure property shall be 1:0.25 as prescribed by the Act;
- 8.4.8 the rate ratio between residential and public benefit organization property shall be 1:0.25 as prescribed by the Act; and
- 8.4.9 the rate ratio between residential and vacant land shall be 1:3 as prescribed by the Act.

9. Relief measures for property owners

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this By-law and granted in terms of Section 15 of the Act to:-
 - 9.2.1 a specified category of properties; or
 - 9.2.2 a specified category of owners of property as provided for hereunder.
- 9.3 The municipality will not grant relief to the owners of property on an individual basis.
- 9.4 The relief measures shall be granted as follows:-

9.4.1 Category of specific owners

Part A: Rebates

(a) Indigent Household	
Criteria	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) Retired people	
Criteria	<ul style="list-style-type: none"> - Make application in writing in a prescribed form; - Own and permanently reside on the property; - Not own more than one property; - Be at least 60 years of age; and
Rebate	A sliding scale rebate system on property rates account shall be determined by the municipal council on annual basis during the budget process.
(c) Owner of Lodges	
Qualification criteria	<ul style="list-style-type: none"> - Make application in writing in a prescribed form; - Own and utilize the property solely for bed and breakfast, guest house and lodge; - Proof of business license issued by the municipality; - Proof of registration with the South African Grading Council; and - Be in a position to submit audited annual financial statements.
Rebate	Additional rebates on property rates shall be determined by the municipal council on an annual basis during the budget process.
(d) Owners of small, very small and micro businesses	
Qualification criteria	<ul style="list-style-type: none"> - Make application in writing in a prescribed form; - Property owned and utilize by the owner; - Provide proof of registration with relevant authority; - Provide proof of business license, if applicable issued by the municipality; - The business shall meet all requirements (refer to sector, size or class, total employment, total annual turnover and total gross asset value (fixed property excluded) set out in terms of the National Small Business Act No. 102 of 1996 schedule; and - Be a position to submit audited annual financial statements
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget

	process.
(e) Owner of Privately Developed Townships or Estates or Complexes	
Qualification criteria	<ul style="list-style-type: none"> - Make an application in writing in a prescribed form; - Provide Service Level Agreement entered into with the municipality; - The full cost of infrastructural development of the township should be incurred by the developer(s); and - The cost of rendering and maintaining of internal services should be incurred by residents or the developer.
Rebate	<ul style="list-style-type: none"> - 100% rebate on property rates for a period when the property is under development not exceeding a period of twelve months; - A rebate on property rates account for owner of a property situated in unproclaimed area shall be determined by council on an annual basis during the budget process; and - A rebate on property rates account for owner of a property situated in proclaimed area where the municipality does not provide maintenance of the internal community services shall be determined by council on an annual basis during the budget process.
(f) Owner of formalized property within rural communal property	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(g) Owner of a smallholding property categorized as a residential property	
Qualification criteria	The municipality should not be providing any of the community services
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(h) Properties Owned by Public Benefit Organizations, which includes;	
<ul style="list-style-type: none"> - <i>Health, welfare or charitable institutions</i> <p>Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, 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 for charitable purposes by registered organizations.</p>	
<ul style="list-style-type: none"> - <i>Educational institutions</i> <p>Properties used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational</p>	

institution. - Youth development organizations Properties used by organizations such as the Boy Scouts, Girls Guides, or organizations the Council deem to be similar.	
Qualification criteria	<ul style="list-style-type: none"> - Make an application in writing in a prescribed form; - Provide proof of ownership of the property and registration as a Non-Profit Organization in terms of the Income Tax Act or registration as a Public Benefit Organization in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9th Schedule; - Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the organization; - that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and - Be in a position to submit audited annual financial statements.
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.

9.4.2 Category of specific properties

Part A: Rebates

(a) Agricultural Properties	
Qualification criteria	<ul style="list-style-type: none"> - Make an application in writing in a prescribed form; - Proof of registration as a <i>bona fide</i> farmer from South African Revenue Services or if not taxed as a farmer provide proof that income generated in excess of 40% is derived from farming activities; - The property must be predominately utilised for <i>bona fide</i> farming purposes; - The application should clearly motivate how the farm contributes in terms of: <ul style="list-style-type: none"> - local economy; - provision of permanent residence or decent accommodation to the farm workers and their dependants; - provision of portable water and electricity to the dwellings of farm workers; and

	- provision of land for cemetery or educational or recreational purposes to the farm workers, children as well as for people from surrounding farms.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) State Trust and Rural Communal Property	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(c) Affordability rebates - the rebate is unconditionally granted to assist the property owners to leverage the rates burden because of the current economic conditions.	
- Business, Commercial and Industrial Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
- Government Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
- Mining Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
- Residential Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
- Other Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(d) Newly ratable properties	50% phase-in rebate on property rates in terms of Section 21(2) of the Act; and 100% phase-in rebate on property rates in terms of Section 21(3) of the Act.
(e) Public Benefit Organization with no source of income (Depending on Donations/ Grants)	May be granted up to 100% rebates subject to an application and approval by the Chief Financial Officer; and application shall be done on a prescribe form obtainable from the Municipal Offices.

Part B - Exemptions

(a) Residential Property	- The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of Section 17(1) (h) of the Act. - The additional exemption on the market value to be
---------------------------------	--

	exempted from levying of rates shall be determined by the municipal council on annual basis during the budget process.
(b) Public Services Infrastructure Property	- The first 30% of the market value of the property is exempted from levying of rates in terms of Section 17(1) (a) of the Act.
(c) Municipal Property	The property shall be 100% exempted from levying of rates
(d) Places of Worship, including an official residence registered in the name of the community	The property shall be 100% exempted from levying of rates.
(e) Other properties stated in terms of Section 17(b), (c), (d), (e), (f) and (g) of the Act	The properties shall be 100% exempted from levying of rates

Part C: Reductions

(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions	
Qualification criteria	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in Section 15 of the Act, where it is contended that the market value of the property is being affected by:
	(a) A disaster within the meaning of the Disaster Management Act (57 of 2002); or
	(b) Any other serious adverse social or economic conditions as may be defined and determined by the Council.
Reduction Granted	The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer. The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year. Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may

	be lodged for the new financial year
--	--------------------------------------

10. Multiple purpose properties

10.1 The municipality shall determine a method of assessing the value of multi-purpose properties applying the following:-

10.1.1 in respect of vacant land that has not been put to any use. In this instance the zoning or permitted use as approved in terms of Township Establishment Scheme of the municipality shall prevail;

10.1.2 The valuation for all other multiple-purpose properties will be assessed according to the dominant use of the property according to value.

10.2 With regard to the rural communal property-

10.2.1 it shall be considered as a multiple use property as a whole;

10.2.2 that identifiable and ratable entities within the property (such as commercial leases and commercial and institutional in possession of permission to occupy) be identified, valued and rated individually, with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and

10.2.3 that the residual portion of the land be considered as the 'Residual' portion of the land for valuation, rating and rebate purposes and be exempted from the payment of rates as stipulated in Section 9.4.2, Part B, subsection (c).

11. Community participation

The municipality has conducted public participation and consultation processes in accordance with Chapter 4 of the Municipal Systems Act No. 32 of 2000 and Chapter 2 of this Act.

12. Recovery and payment of rates

12.1 An owner of a ratable property shall be liable for a property rates account.

12.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments.

12.3 Owners of ratable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis.

- 12.4 Payment of property rates with a single amount on or before 31 December of each year, shall be allowed on condition that:-
- 12.4.1 the owner applies to the municipality in writing on a prescribed form for such deferment of the payment of the property rates account;
 - 12.4.2 The owner has more than ten (10) property rates accounts with the municipality;
 - 12.2.3 The application reaches the municipality before 30 June of each year; and
- 12.5 Interest on overdue property rates accounts shall not be levied until 31 December of each year in case of payment of property rates with a single amount for twelve months.
- 12.6 Rates in arrears shall be recovered from tenants and occupants of a property if the owner fails to pay the property rates account.
- 12.7 The Credit Control and Debt Collection By-law shall apply in cases where the property rates accounts are in arrears.
- 12.8 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-law.
- Interest on property rates in arrears shall be calculated and charged at prime rate which shall be applicable at 30 June plus one percent fixed over the twelve months period of the financial year.
- 12.9 This clause shall only come into effect upon the decision of council.

13. Phasing in of the new market value

- 13.1 Phasing-in of the new market value of a property over a period four years, in a situation whereby the property rates account has increased by more than five hundred percent (500%) due to the new rating system.
- 13.2 Each case or matter shall be treated on its merit.
- 13.3 The owner of the property shall make an application in writing stating the reasons for the request of the phasing-in of market value of the property.
- 13.4 All outstanding debts due to the application for deferment made in the financial year 2009/10 shall be dealt with in terms of the Credit Control and Debt Collection By-law.

13.5 These amendments be applied retrospectively i.e. effective from 1 July 2009; and
[Editor's Note: Numbering as published under LAN 128 in PG 1841/2010]

13.7 The authority to approve the phasing-in of the new market value of the property shall be delegated to the Chief Financial Officer in terms of the municipality's delegations.

14. Special rating area

The establishment of or applications for establishment of special rating area(s) in terms of its City Improvement Districts By-law shall be considered by the municipality.

15. Review of this By-law

The By-law shall be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

16. Short title

This By-law shall be known as Thembisile Hani Property Rates By-law.

17. Implementation of this By-law

This By-law shall be effective from a date determined by Council.