



DRAKENSTEIN

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PROPERTY RATES POLICY

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TABLE OF CONTENTS

	PAGE
1. LEGISLATIVE CONTEXT	3
2. DEFINITIONS	3
3. OBJECTIVES OF THE POLICY	12
4. POLICY PRINCIPLES	13
5. CLASSIFICATION OF SERVICES	15
6. CATEGORIES OF PROPERTY	15
7. CATEGORIES OF OWNERS	19
8. MULTI PURPOSE USE OF PROPERTIES	19
9. DIFFERENTIAL RATING	20
10. EXEMPTIONS AND IMPERMISSIBLE RATES	20
11. REDUCTIONS.....	22
12. REBATES	23
13. PAYMENT OF RATES.....	32
14. ACCOUNTS TO BE FURNISHED.....	33
15. PHASING IN OF RATES.....	34
16. SPECIAL RATING AREAS.....	34
17. FREQUENCY OF VALUATION.....	36
18. COMMUNITY PARTICIPATION	36
19. REGISTER OF PROPERTIES	37
20. BY-LAWS TO GIVE EFFECT TO THE PROPERTY RATES POLICY	38
21. REGULAR REVIEW PROCESSES.....	38
22. SHORT TITLE.....	38

DRAKENSTEIN MUNICIPALITY

PROPERTY RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 Section 229 of the Constitution of the Republic of South Africa, No 108 of 1996, determines that a municipality may impose rates on property subject to any regulated national legislation.
- 1.2 Section 2 of the Local Government: Municipal Property Rates Act, No 6 of 2004, determines that a municipality may levy a rate on property in its area subject to:
 - (a) Section 229 and any other applicable provisions of the Constitution;
 - (b) The provisions of the Municipal Property Rates Act (MPRA); and
 - (c) The rates policy it must adopt in terms of section 3.
- 1.3 Section 3 of the MPRA determines that the council of a municipality must adopt a policy consistent with the MPRA on the levying of rates on rateable property in the municipality.
- 1.4 Section 4(1)(c)(ii) of the Local Government: Municipal Systems Act, No 32 of 2000, determines that the council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, No 56 of 2003, the Municipal Manager must ensure that the municipality has and implements a rates policy.
- 1.6 This policy must be read together with, and is subject to the stipulations of the MPRA and any regulations promulgated in terms thereof.

2. DEFINITIONS

- 2.1 **“Accommodation”** means accommodation in an accommodation establishment: a room, dwelling-house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests;
- 2.2 **“Accommodation establishments”** means one or more of the following lettable types of accommodation:

- (a) **“Camping”** (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;
- (b) **“Bed and breakfast”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family;
- (c) **“Guest house”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests;
- (d) **“Self-catering accommodation”** (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;
- (e) **“Self-catering apartments”** (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen facility (fully or partially), and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;
- (f) **“Backpackers accommodation”** (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories / rooms / beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house; or

- (g) **“Boarding house”** a dwelling-house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent / permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family.
- 2.3 **“Act”** means the Local Government: Municipal Property Rates Act, No 6 of 2004.
- 2.4 **“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.
- 2.5 **“Agricultural purpose”** means a farm or small holding property that is used for the cultivation of soils for purposes of planting and gathering crops; forestry in the context of the planting, growing and sawing-off of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish; and:
- (a) In relation to the use of property, excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;
 - (b) In relation to an agricultural unit used for irrigation purposes, includes all irrigation stands being operated by the same farmer as a single agricultural unit in the sole discretion of the Municipality; and
 - (c) In relation to an agricultural unit used for stock-farming purposes, includes all stock-farms being operated by a farmer as a single agricultural unit in the sole discretion of the Municipality.
- 2.6 **“Agricultural property”** means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;
- 2.7 **“Annually”** means once every financial year.
- 2.8 **“Business and commercial property”** means:
- (a) Property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or

(b) Property on which the administration of the business of private or public entities take place.

2.9 ***“Category”***

(a) In relation to property, means a category of properties determined in terms of paragraph 6 of this policy; and

(b) In relation to owners of properties, means a category of owners determined in terms of paragraph 7 of this policy.

2.10 ***“Child-headed household”*** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.

2.11 ***“Definitions, words and expressions”*** as used in the Act are applicable to this policy document wherever it is used.

2.12 ***“Industrial property”*** means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity.

2.13 ***“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, No 126 of 1993; or

(ii) The Restitution of Land Rights Act, Act No 22 of 1994;

(b) Holds the property subject to the Communal Property Associations Act, No 28 of 1996; and

(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.

2.14 ***“Land tenure right”*** means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No 112 of 1991).

- 2.15 **“Mining property”**, means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
- 2.16 **“Multiple purposes”** in relation to a property means the use of a property for more than one purpose, subject to section 9.
- The different uses will be grouped into two or more components. The first will be the primary component; the other components (sub-components) will be identified by their generalised functional name.
 - The category of the primary component of such a property will be directed in the first instance by the permitted use of the property, but at the sole discretion of the Municipality.
- 2.17 **“Municipality”** means the Local Municipality of Drakenstein.
- 2.18 **“Newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:
- (a) 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.
- 2.19 **“Officer bearer”** in relation to places of public worship, means the primary person who officiates at the services at that place of worship.
- 2.20 **“Official residence”** in relation to places of public worship, means –
- (a) A portion of the property used for residential purposes; or
 - (b) one residential property, if the residential property is not located on the same property as the place of public worship,

registered in the name of the religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.
- 2.21 **“Owner”**:
- (a) In relation to a property referred to in paragraph (a) of the definition of *“property”*, means a person/s 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/s in whose name the right is registered;
- (bA) In relation to a time sharing interest contemplated in the Property Time-Sharing Control Act, 1983 (Act No.75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-Sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
- (bB) In relation to a share in a share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);
- (bC) In relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of “*property*”, means a person/s 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 the 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;
- (iv) A judicial manager, in the case of a property in the estate of a person under curatorship;
- (v) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vi) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it;
- (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; or

(viiA) A lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right.

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

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

2.23 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the Municipality, divided through sub-division or township establishment into (ten or more) full title stands and / or sectional units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents, home owners association or management companies / bodies of such estate.

2.24 **“Property”** means:

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

2.25 **“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 communications system serving the public;
- (g) Runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- (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 subparagraphs (a) to (i) above.

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

- (a) Hospitals or clinics;
- (b) Schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) National and provincial libraries and archives;
- (d) Police stations;

- (e) Correctional facilities; or
- (f) Courts of law,

but excludes property contemplated in the definition of “public service infrastructure”.

2.27 **“Ratio”** in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category.

2.28 **“Residential property”** means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9. For more clarity residential property in this policy will refer to improved property (structural improvements) 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;
- (c) Is owned by a share-block company and used solely for residential purposes;
- (d) Is a residence used for residential purposes situated on property used for or that is related to educational purposes;
- (e) Is property which is included as residential in a valuation roll in terms of section 48(2)(b) of the Act;
- (f) Is retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;
- (g) All residential properties with more than one use, irrespective of its zoning, will be multi purposed by the valuer to enable Council to levy the correct property rates levy on the intended use.

- 2.29 **“Rural communal settlements”** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.
- 2.30 **“Sport property”** means property (grass or other surfaces sport fields as well as clubhouses) predominantly used for amateur sporting activities.
- 2.31 **“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, No 22 of 1994.
- 2.32 **“Wind Farms”** means an area of land with a group of energy-producing windmills or wind turbines.

3. OBJECTIVES OF THE POLICY

3.1 The objectives of this policy are: –

- (a) To comply with the provisions of section 3 of the Act;
- (b) To determine criteria to be applied for:
 - (i) Levying different property rates for different property or categories or sub-categories as determined in terms of section 8 of the Act;
 - (ii) Exemptions;
 - (iii) Reductions;
 - (iv) Rebates; and
 - (v) Rate increases or decreases;
- (c) To determine or provide criteria for the determination of:

- (i) Categories of properties or sub-categories for the purpose of levying different property rates; and
 - (ii) Categories of owners of properties or categories of properties or sub-categories for the purpose of granting exemptions, rebates and reductions;
- (d) To determine how the Municipality's powers should be exercised in terms of multiple-used properties;
- (e) To identify and quantify the following for the Municipality in terms of cost and the benefit to the community:
- (i) Exemptions, rebates and reductions;
 - (ii) Exclusions; and
 - (iii) Rates on properties that must be phased in;
- (f) To take into account the effect of property rates on the poor;
- (g) To take into account the effect of property rates on organisations that perform activities for public benefit activities;
- (h) To take into account the effect of property rates on public services infrastructure;
- (i) To determine measures to promote local economic and social development;
- (j) To identify all rateable revenue not being rated; and
- (k) In respect of agricultural property, give effect to the regulations promulgated in terms of section 83 and 19(1) (b) of the Act.

3.2 It needs to be noted that Council has four years left to fully comply with the implementation of section 8 of the Act. Section 8 deals with the application of differential rates on different categories or sub-categories of properties.

4. POLICY PRINCIPLES

4.1 Property rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the Municipality's valuation roll and supplementary valuation roll.

4.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in paragraph 6 and 7 of this policy. Some categories of property and categories of owners are granted relief from rates. The Municipality however does not grant relief in respect of payments of property rates to any category of owners or properties, or to owners of properties on an individual basis.

4.3 There shall be no phasing in of property rates based on the new valuation roll, except as prescribed by legislation and in accordance with paragraph 15 of this policy.

4.4 In accordance with section 3(3) of the Act, the property rates policy for the Municipality is based on the following principles:

(a) Equity

The Municipality will treat all ratepayers with similar properties the same.

(b) Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor / indigent ratepayers the Municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.

(c) Sustainability

Rating of property will be implemented in a way that:

(i) It supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality;

(ii) Supports local, social and economic development; and

(iii) Secures the economic sustainability of every category of ratepayer.

(d) Cost efficiency

Property rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account any profits generated on trading services (water and electricity) as well as economic services (refuse removal and sanitation) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

5. CLASSIFICATION OF SERVICES

5.1 The Municipal Manager or his / her nominee must, subject to the guidelines provided by National Treasury and the Municipal Council of the Municipality, through the Municipality's Tariff Policy make provision for the following classification of services:

(a) Trading services

(i) Water.

(ii) Electricity.

(b) Economic services

(i) Refuse removal.

(ii) Sanitation.

(c) Community and subsidised services

These include all those services ordinarily being rendered by the Municipality excluding those mentioned in subparagraph 5.1(a) and (b) above.

5.2 Trading and economic services as referred to in paragraph 5.1(a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in paragraph 5.1(c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

6. CATEGORIES OF PROPERTY

6.1 Subject to section 19 of the Act, Drakenstein Municipality may, in terms of the criteria set out in its property rates policy, levy different property rates for different categories of rateable properties, which may include categories determined according to:

(a) The use of the property;

(b) The permitted use of the property;

(c) The geographical area in which the property is situated; or

(d) A combination of (a) and (b) that will have to be phased in over the next seven years.

- 6.2 Categories of rateable property that may be determined in terms of paragraph 6.1 above include the following:
- (a) Residential improved property;
 - (b) Property that is vacant (empty stands) with zoning or proposed use earmarked for residential property;
 - (c) Property that is vacant (empty stands) with zoning or proposed use earmarked for industrial, business or commercial;
 - (d) Industrial property;
 - (e) Business and commercial property;
 - (f) Farm property used for:
 - (i) Agricultural purposes;
 - (ii) Industrial purposes;
 - (iii) Commercial or business purposes;
 - (iv) Residential purposes; or
 - (v) Purposes other than those specified in subparagraphs (i) to (iv);
 - (g) Mining properties;
 - (h) Farm property not used for any purpose;
 - (i) Small holdings used for:
 - (i) Agricultural purposes;
 - (ii) Industrial purposes;
 - (iii) Commercial or business purposes;
 - (iv) Residential purposes; or

- (v) Purposes other than those specified in subparagraphs (i) to (iv);
- (j) Properties owned by an organ of state and used for public service purposes;
- (k) State owned property;
- (l) Municipal property;
- (m) Public service infrastructure as referred to in the Act;
- (n) Properties owned by public benefit organisations and used for specified public benefit activities;
- (o) Property:
 - (i) Acquired through the Provision of Land and Assistance Act, No 126 of 1993, or the Restitution of Land Rights Act, No 22 of 1994; or
 - (ii) Which is subject to the Communal Property Associations Act, No 28 of 1996;
- (p) Protected areas;
- (q) Property owned by the following public benefit organisations used for the corresponding public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, No 58 of 1962 (also refer to paragraph 10.4 of this policy):
 - (i) Welfare and humanitarian organisations;
 - (ii) Cultural organisations;
 - (iii) Sporting organisations;
 - (iv) Conservation, environmental and animal welfare organisations;
 - (v) Health care organisations; and
 - (vi) Education and development;
- (r) Amateur sport property not listed in subparagraph (r)(iii) above;
- (s) Professional sport property;

- (t) Property used for multiple purpose, subject to section 9 of the Act;
 - (u) Accommodation establishments:
 - (i) In urban areas; and
 - (ii) In rural (farm and small holding) areas;
 - (v) Private open space;
 - (w) Conservation areas;
 - (x) Property on which national monuments are proclaimed;
 - (y) Privately owned towns; and
 - (z) Any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.
- 6.3 In addition to the above categories of rateable property determines in terms of section 8(2) of the Act, a municipality may determine additional categories of rateable property, including vacant land: Provided that, with the exception of vacant land, the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of section 8(2) of the Act.
- 6.4 Where a municipality can, on good cause, show that there is a need to sub-categorise the property categories listed in section 8(2) of the Act, a municipality may apply to the Minister in writing for authorisation to create one or more of such sub categories.
- 6.5 The above provisions must be applied within seven years from 1 July 2015 in terms of section 93B of the Act.
- 6.6 In determining the category or sub-category of a property referred to in paragraph 6.2 above the Municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.
- 6.7 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in paragraph 8 of this policy.

7. CATEGORIES OF OWNERS

7.1 For the purpose of granting exemptions, reductions and rebates in terms of paragraph 10, 11 and 12 of this policy the following categories of owners of properties shall be determined:-

- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the Municipality;
- (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the Municipality but whose total monthly income is less than an amount annually determined by the Municipality in its budget;
- (c) Owners of property situated within an area affected by:
 - (i) A disaster within the meaning of the Disaster Management Act, No 57 of 2002; or
 - (ii) Serious adverse social or economic conditions;
- (d) Owners of residential properties with a market value below the amount as determined annually by the Municipality in its budget;
- (e) Owners of properties situated in “privately owned towns” as referred to in paragraph 12.1.2 of this policy;
- (f) Owners of agricultural properties as referred to in paragraph 12.1.3 and 12.1.4; and
- (g) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

8. MULTI PURPOSE USE OF PROPERTIES

8.1 Properties used for multiple purposes which for example do not fall within the definition of residential properties and, accordingly, do not qualify for the residential rate, may be included into the category of multiple-use properties, as per section 9(1)(c) of the Act, for which an apportionment of value for each distinct use of the property, irrespective of its zoning rights, will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate.

8.2 All properties in Drakenstein Municipality with more than one use, irrespective of its zoning rights, will be multiple purposed by the municipal valuer.

9. DIFFERENTIAL RATING

9.1 Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to:

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes; and
- (b) The promotion of local, social and economic development within the Municipality.

9.2 Differential rating among the various property categories will be done by way of:

- (a) Setting a different cent amount in the rand for each property category or sub-category; and
- (b) By way of reductions and rebates as provided for in this policy document.

10. EXEMPTIONS AND IMPERMISSIBLE RATES

10.1 The following categories of property are exempted from rates:-

(a) Municipal properties

Municipal properties are exempted from paying property rates as it will increase the rates burden or service charges to property owners or consumers. However, where municipal properties are leased, the lessee will be responsible for the payment of the determined property rates in accordance with the lease agreement.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying property rates. For the 2017/2018 financial year (implementation date of 01 July 2017 for the new general valuation roll) the maximum reduction is determined as R 180,000. The impermissible rates of R 15,000 contemplated in terms of section 17(1)(h) of the Act is included in the amount referred to above as annually determined by the municipality. The remaining R 165,000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

(c) Public service infrastructure

Public service infrastructure is exempted from paying property rates as allowed for in the Act as they provide essential services to the community.

(d) Right registered against a property

Any right registered against a property as defined in paragraph 2.18(b) of this policy is exempted from paying rates.

10.2 Exemptions in paragraph 10.1 will automatically apply and no application is thus required.

10.3 Impermissible Rates:

In terms of section 17(1) of the Act the Municipality may, *inter alia*, not levy a rate:

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, No 57 of 2003, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes;
- (b) On mining rights or a mining permit within the meaning of the Mineral and Petroleum Resource Development Act, 2002 (Act No. 28 of 2002), excluding any building, other immovable structures and infrastructure above the surface of the mining property required for the purposes of mining;
- (c) On a property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds or upon alienation of the property by the land reform beneficiary or his or heirs, dependants or spouse; and
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community which is occupied by the office-bearer of that community who officiates at services at that place of worship.

10.4 Public benefit organisations (PBO's)

Taking into account the effects of property rates on PBO's performing a specific public benefit activity and if registered in terms of Part 1 of the Ninth Schedule to the Income Tax Act, No 58 of 1962, for tax reduction because of those activities, PBO's may apply for the exemption of paying property rates. PBO's may include, *inter alia*:-

- (a) Welfare and humanitarian (charitable) organisations;

- (b) Cultural organisations (museums, libraries, art galleries and botanical gardens);
- (c) Sporting organisations (non-professional);
- (d) Conservation, environmental and animal welfare organisations;
- (e) Health care organisations; and
- (f) Education and development.

- 10.5 All possible benefiting organisations in paragraph 10.4 must apply annually for exemptions. All applications must be addressed in writing to the Municipality by 31 August for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.
- 10.6 Public benefit organisations must attach a SARS tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962) to all applications.
- 10.7 The Municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 10.8 The extent of the exemptions implemented in terms of paragraph 10.1 to 10.4 must annually be determined by the municipality and included in the annual budget.

11. REDUCTIONS

- 11.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad hoc* basis in the event of the following:
- (a) Partial or total destruction of a property; and
 - (b) Disasters as defined in the Disaster Management Act, No 57 of 2002.
- 11.2 The following conditions shall be applicable in respect of paragraph 11.1:
- (a) The owner referred to in clause 11.1(a) shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the Municipality that the property has been totally or partially destroyed. He / she will also have to indicate to what extent the property can still be used and the impact on the value of the property. The reduction in

property rates will only be considered after the municipality has been supplied with a demolition certificate.

- (b) Property owners will only qualify for a reduction if affected by a disaster as referred to in the Disaster Management Act, No 57 of 2002.
- (c) A maximum reduction that may be determined on an annual basis shall be allowed in respect of both clauses 11.1(a) and 11.1(b). For the 2013/2014 financial year the maximum reduction is determined as 80% and remains the same until re-determined by Council.
- (d) An *ad-hoc* reduction will not be given for a period in excess of 6 months, unless the Municipality gives further extension on application.
- (e) If property rates were paid in advance prior to granting of a reduction the Municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

12. REBATES

12.1. Categories of property

12.1.1 Business, commercial and industrial properties

- (a) The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply:
 - (i) Job creation in the municipal area;
 - (ii) Social upliftment of the local community; and
 - (iii) Creation of infrastructure for the benefit of the community;
- (b) A maximum rebate as annually determined by the Municipality will be granted on approval, subject to:
 - (i) A business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - (ii) A continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and

- (iii) An assessment by the Municipal Manager or his / her nominee indicating that the company qualifies; and
- (c) All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the property rates is levied. If the rebate applied for is granted the rebate will apply for the full financial year.
- (d) No maximum rebate has been determined by the Municipality for the 2017/2018 financial year and will be determined on an *ad hoc* basis as per application received until a specific incentive policy has been developed and accepted by Council.

12.1.2 Privately owned towns serviced by the owner

- (a) The Municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in paragraph 2.17 of this policy.
- (b) An additional rebate (based on the total property value) of a maximum of 22.5% will be granted by the municipality in respect of the following:
 - (i) 7.5% if the owner maintains all rates-related services as defined in paragraph 2.17 of this policy;
 - (ii) 7.5% if the owner renders a full refuse removal service; and
 - (iii) 7.5% if the owner renders a full sanitation service.

The category Privately Owned Towns is to be phased out by the 2021/2022 financial year due the amendment in section 8 of the Municipal Property Act, No 6 of 2004.

- (c) The granting of additional rebates is subject to the following:
 - (i) All applications must be addressed in writing to the Municipality by 31 August 2014 indicating how service delivery and development obligations of the Municipality were met. This application will be required as a once off requirement. Any new applications for the 2015/2016 financial year and onwards must be addressed in writing to the municipality by 30 September for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement. Home owners associations or management companies / bodies of “privately owned towns” may

apply as a collective for the additional rebates. These rebates are over and above the R 180,000 exemption on residential properties referred to in paragraph 10.1(b) of this policy.

- (ii) Council reserves the right to send officials or its agents to premises / households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.
- (iii) The Municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- (d) The rebate of 15% will not be applicable on any sport property within privately owned towns. Sport property used for amateur or professional purposes will be dealt with as per paragraph 12.2.5 and 12.2.6 below.

12.1.3 Agricultural property rebate

- (a) When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the Municipality must take into account:
 - (i) The extent of rates related services rendered by the Municipality in respect of such properties;
 - (ii) The contribution of agriculture to the local economy;
 - (iii) The extent to which agriculture assists in meeting the service delivery and developmental objectives of the Municipality; and
 - (iv) The contribution of agriculture to the social and economic welfare of farm workers.
- (b) In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non-residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% “rebate” on the tariff for residential properties). Since the 2009/2010 financial year the minister has promulgated a ratio of 1:0.25.

- (c) An additional rebate (based on the total property value) of a maximum of 10% will be granted by the municipality in respect of the following:
 - (i) 2.5% for the provision of accommodation in a permanent structure to farm workers and their dependents or families;
 - (ii) 2.5% if these residential properties are provided with potable water;
 - (iii) 2.5% if the residential properties of the farm workers are electrified; and
 - (iv) 2.5% for the provision of land for burial of own farm workers or for educational and / or recreational purposes to own farm workers as well as for workers from surrounding farms.

- (e) The granting of additional rebates is subject to the following:
 - (i) All applications must be addressed in writing to the Municipality by 30 September each year indicating how service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers were met. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement.
 - (ii) Council reserves the right to send officials or its agents to premises / households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.
 - (iii) The Municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

- (e) No other rebates will be granted to properties that qualify for the agricultural rebate. For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in paragraph 10.1(b) of this policy.

12.1.4 Small Holdings in rural areas

- (a) The Municipality grants an additional rebate, to be determined on an annual basis, which applies to residential properties on farms, small holdings and in rural areas serviced by the owner.

- (b) An additional rebate (based on the total property value) of a maximum of 22.5% will be granted by the municipality in respect of the following:
 - (i) 7.5% if the owner renders a full water service;
 - (ii) 7.5% if the owner renders a full refuse removal service; and
 - (iii) 7.5% if the owner renders a full sanitation service.

The rebate percentage has been left unchanged, the municipality will apply to the MEC in terms of section 8(4) (a) of the Municipal Property Rates Act No.6 of 2004 as amended to add small holdings in rural areas as a sub category under the residential category.

- (c) An additional rebate for disabled persons (based on the total property value) of a maximum of 30% will be granted by the municipality in respect of the following:
 - (i) 10 % if the owner renders a full water service;
 - (ii) 10% if the owner renders a full refuse removal service: and
 - (iii) 10 % if the owner renders a full sanitation service.
- (d) The granting of additional rebates is subject to the following:
 - (i) All applications must be addressed in writing to the Municipality by 31 August 2014 indicating how service delivery and development obligations of the Municipality were met. This application will be required as a once off requirement. Any new applications for the 2015/2016 financial year and onwards must be addressed in writing to the municipality by 30 September for the financial year in respect of which the rate is levied. If the rebate applied for is granted, the rebate will apply for, the full financial year and such application again regarded as a once off requirement. These rebates are over and above the R 180,000 exemption on residential properties referred to in paragraph 10.1(b) of this policy.
 - (ii) Council reserves the right to send officials or its agents to premises / households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.
 - (iii) The Municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

12.2 Categories of owners

12.2.1 Indigent owners

- (a) Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the Municipality, regardless of the value of the property, may receive a 100% rebate from payment of property rates. Such cases whose value of their property exceeds R 180,000 will be submitted to Council for consideration.
- (b) An indigent household who stays on a property of a deceased owner / relative can apply for such rebate from payment of property rates while the process of transferring of ownership takes place. Such an application will be submitted to Council for consideration.

12.2.2 Child headed families

- (a) Families headed by children shall receive a 100% rebate for paying property rates, according to monthly household income, subject to the provisions listed below. To qualify for this rebate the head of the family must:
 - (i) Occupy the property as his / her normal residence;
 - (ii) Not be older than 18 years of age;
 - (iii) Still be a scholar or jobless; and
 - (iv) Be in receipt of a total monthly income from all social grant resources not exceeding an amount to be determined annually by the Municipality. For the 2018/2019 financial year starting at 01 July 2018 this amount is determined as two times the social grant (R 1,700 x 2) = R3,400 as per the 2016 budget speech by the Minister of Finance) paid by National Government plus 25% (R 3,400+R 850) = R4,250 per month. Should the total monthly income exceed this amount, such case must be referred to the Executive Mayor and his / her Mayoral Committee who will have the delegated powers and discretion to deal with the application suitably.
- (b) The family head must apply on the prescribed application form for registration as a child headed household and must be assisted by the Municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

12.2.3 Retired and disabled persons

- (a) Retired and disabled persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:
 - (i) Occupy the property as his / her normal residence;
 - (ii) Be at least 60 years of age or in receipt of a disability pension from the South African Social Security Agency;
 - (iii) Be in receipt of a total monthly income from all sources as annually determined by the Municipality (including income of spouses of owner);
 - (iv) Not be the owner of more than one property; and
 - (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.

- (b) Property owners must apply on the prescribed application form for a rebate as determined by the Municipality. Applications must be accompanied by:
 - (i) A certified copy of the identity document or any other proof of the owner's age which is acceptable to the Municipality;
 - (ii) Sufficient proof of income of the owner and his / her spouse;
 - (iii) An affidavit from the owner;
 - (iv) If the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - (v) If the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

- (c) All applications must be addressed in writing to the Municipality by 30 September for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2018/2019 financial year the total monthly income and corresponding rebate is determined as follows:
 - (i) R 0 to R4250 per month - 100% of indigent support;

- (ii) R4, 251 – R4, 750 per month - 80% of indigent support;
 - (iii) R4, 751 – R6, 000 per month - 50% of indigent support; and
 - (iv) R6, 001 – R6, 250 per month - 20% of indigent support.
- (d) The Municipality retains the right to refuse the rebates if the details supplied in the application form were incomplete, incorrect or false.

12.2.4 Retired persons seventy (70) years and older

- (a) Retired persons seventy years and older, who do not qualify for any other rebates as per the Category of Properties (Paragraph 12.1 of this Policy) or Category of Owners (Paragraph 12.2 of this Policy), qualify for special rebates according to their pensioner and age status. To qualify for the rebate a property owner must:
- (i) Occupy the property as his / her normal residence;
 - (ii) Be at least 70 years of age as the breadwinner;
 - (iii) Be in receipt of a monthly pension as the only source of income except that interest on investments will be allowed and must be declared that may not exceed 25% of the pension income; and
 - (iv) Not be the owner of more than one property in Drakenstein.
- (b) Property owners must apply on the prescribed application form for a rebate as determined by the Municipality. Applications must be accompanied by:
- (i) A certified copy of the identity document or any other proof of the owner's age which is acceptable to the Municipality;
 - (ii) Sufficient proof of income of the owner and his / her spouse; and
 - (iii) An affidavit from the owner.
- (c) All applications must be addressed in writing to the Municipality by 30 September for the financial year in respect of which the rate is levied. Any new applications for the 2016/2017 financial year and onwards must be addressed in writing to the municipality by 30 September for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once

off requirement. These rebates are over and above the R 180,000 exemption on residential properties referred to in paragraph 10.1(b) of this policy.

- (d) An additional rebate (based on the total property value) of a maximum of 10.0% will be granted by the Municipality for the 2018/2019 financial year.
- (e) The Municipality retains the right to refuse the rebates if the details supplied in the application form were incomplete, incorrect or false.

12.2.5 State-owned properties

The Municipality shall grant a 20% rebate on the property rates levied for state-owned properties.

12.2.6 Amateur sporting organisations

- (a) The Municipality shall grant a rebate of 75% on the property rates levied for sport fields with grass or any other surfaces owned by amateur sporting organisations. This will also be applicable on sport fields located in privately owned towns.
- (b) The Municipality shall grant a rebate of 25% on the property rates levied for the clubhouse, restaurant and other facilities associated with the sporting activities. This will also be applicable to similar facilities associated with sporting activities in privately owned towns.

12.2.7 Professional sporting organisations

- (a) The Municipality may, on application by a professional sporting organisation, grant a rebate on the property rates levied on property owned by professional sporting organisations.
- (b) Such an application must be accompanied with the latest audited set of financial statements and the audit report issued in terms of the South African Accounting Standards.
- (c) For the 2018/2019 financial year a maximum rebate of 10% on property rates levied is determined, subject to Council's approval of the application submitted by the professional sporting organisation.

12.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a property rate being determined on the market value, be rated a uniform fixed amount per property.

12.4 The extent of the rebates granted in terms of paragraphs 12.1 and 12.2 must annually be determined by the Municipality and included in the annual budget.

13. PAYMENT OF RATES

13.1 The property rates levied on properties shall be payable:

- (a) On a monthly basis; or
- (b) Annually, before 15 October each year.

13.2 Ratepayers may choose paying rates annually in one instalment on or before 15 October each year. If the owner of property that is subject to property rates, notify the Municipal Manager or his / her nominee in writing by not later than 30 June in any financial year, or such later date in such financial year as may be determined by the Municipality that he / she wishes to pay all rates annually, such owner shall be entitled to pay all properties rates in the subsequent financial year and each subsequent financial year annually until such notice is withdrawn by him / her in a similar manner.

13.3 The Municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner / tenant / occupants / agent.

13.4 Rates payable on an annual basis will be subject to a discount of 5% if paid in full on or before 15 August of each year. The owner shall apply for such discount.

13.5 Interest on arrear property rates, whether payable on or before 15 October or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control and debt collection policy of the Municipality.

13.6 If a property owner who is responsible for the payment of property rates in terms of this policy fails to pay such rates in the prescribed manner, it will be recovered from him / her in accordance with the provisions of the credit control and debt collection by-law of the Municipality.

13.7 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.

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

13.9 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted property rates payable shall be levied at the maximum rate permitted by prevailing legislation.

14. ACCOUNTS TO BE FURNISHED

14.1 The Municipality will furnish each person liable for the payment of property rates with a written account, which will specify:

- (a) The amount due for property rates payable;
- (b) The date on or before which the amount is payable;
- (c) How the amount was calculated;
- (d) The market value of the property, and
- (e) Rebates, exemptions, reductions or phasing-in, if applicable.

14.2 A person liable for the payment of property rates must furnish the municipality with an address where correspondence can be directed to.

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

14.4 In the case of joint ownership the Municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

14.5 *When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA. A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the municipality so as to cover the arrear rates account. A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the municipality has initiated.*

15. PHASING IN OF RATES

15.1 The property rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.

15.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:-

(a) First year : 75% of the relevant rate;

(b) Second year : 50% of the relevant rate; and

(c) Third year : 25% of the relevant rate.

15.3 No property rates on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, shall be payable during the first year. The phasing-in discount on these properties shall be as indicated below:

(a) First year : 100% of the relevant rate;

(b) Second year : 75% of the relevant rate;

(c) Third year : 50% of the relevant rate; and

(d) Fourth year : 25% of the relevant rate.

16. SPECIAL RATING AREAS

16.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

16.2 The following matters shall be attended to in consultation with the committee referred to in paragraph 16.3 whenever special rating is being considered:

(a) Proposed boundaries of the special rating area;

(b) Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;

- (c) Proposed improvements clearly indicating the estimated costs of each individual improvement;
 - (d) Proposed financing of the improvements or projects;
 - (e) Priority of projects if more than one;
 - (f) Social economic factors of the relevant community;
 - (g) Different categories or sub-categories of property;
 - (h) The amount of the proposed special rating;
 - (i) Details regarding the implementation of the special rating; and
 - (j) The additional income that will be generated by means of this special rating.
- 16.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the Municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 16.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household within the special rating area, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 16.5 In determining the special additional rates the Municipality shall differentiate between different categories as referred to in paragraph 6 of this policy.
- 16.6 The additional property rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 16.7 The Municipality shall establish separate accounting and other record-keeping systems for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

17.

FREQUENCY OF VALUATION

- 17.1 The Municipality shall prepare a new valuation roll at least every 4 (four) years.
- 17.2 In accordance with the Act the Municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 5 (five) years.
- 17.3 Supplementary valuations may be done on a continual basis but at least published once an annual basis in terms section 78 of the Municipal Property Rates Act 6 of 20014 as amended by Act 29 of 2014.
- 17.4 In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the new owner will be held responsible from the date of registration.

17.5 OBJECTION AND APPEALS

- (a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Section 49(1)(a) of the MPRA.
- (b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.
- (c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.
- (d) The lodging of an objection or appeal:-
- (i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or
 - (ii) (ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

18. COMMUNITY PARTICIPATION

- 18.1 Before the Municipality adopts the property rates policy, the Municipal Manager will follow the process of community participation as envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:
- (a) Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will, if needed, provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities;

- (b) Conspicuously display the draft property rates policy for a period of at least 30 days at the Municipality's head and satellite offices, libraries and on the website;
- (c) Advertise in the media a notice stating that the draft property rates policy has been prepared for submission to Council and that such policy is available at the various municipal offices and on the website for public inspection;
- (d) Property owners and interest persons may obtain a copy of the draft property rates policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the Municipality within the specified period in the notice;
- (e) Council will consider all comments and / or representations received when considering the finalisation of the property rates policy; and
- (f) The municipality will communicate the outcomes of the consultation process in accordance with section 17(2) (e) of the Municipal Systems Act, No 32 of 2000.

19. REGISTER OF PROPERTIES

- 19.1 The Municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the Municipality. The register will be divided into Part A and Part B.
- 19.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 19.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
 - (a) Exemption from rates in terms of section 15 of the Act;
 - (b) Rebate or reduction in terms of section 15 of the Act;
 - (c) Phasing-in of rates in terms of section 21 of the Act; and
 - (d) Exclusions as referred to in section 17 of the Act.
- 19.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the Municipality.
- 19.5 The Municipality will update Part A of the register during the supplementary valuation process.

19.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

20. BY-LAWS TO GIVE EFFECT TO THE PROPERTY RATES POLICY

20.1 The municipality will adopt a Property Rates By-law to give effect to the implementation of the Property Rates Policy and such By-law may differentiate between different categories of properties and different categories of owners of properties liable for the payment of property rates.

21. REGULAR REVIEW PROCESSES

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

22. SHORT TITLE

22.1 This policy is the Property Rates Policy of the Drakenstein Municipality.
