

BA-PHALABORWA LOCAL MUNICIPALITY



BA-PHALABORWA

**PRINCIPLES AND POLICY ON
PROPERTY RATES**

2017/18

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1. LEGISLATIVE CONTEXT

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

2. DEFINITIONS

“Act” means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

Business" means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same ERF, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering of crops or the rearing of live-stock or consisting of the propagation and harvesting of fish or other aquatic organisms

Industrial" means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved.

“Municipality” means the municipal council for the municipal area

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)

Multiple-use properties’ refers to property where there is a combination of different categories of property on the same registered property and where the market value of each is apportioned on the valuation roll;

Permitted Use” means the limited purposes for which the property may be used in terms of

I. A condition of title.

II. A provision of the Phalaborwa’s applicable Town Planning or land use scheme as amended from time to time.

III. Any legislation applicable to any specific property or properties

Privately developed estates “means properties divided through sub division or township establishment into developments with full title stands and / or sectional units in accordance with the Town Planning Scheme 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 by the residents of such estate”

All other terms are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

‘Residential property” means a property included in a valuation roll in terms of Section 48 (2) (b) of the Act as residential.

“Resort” a rural place visited for holidays or recreation

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;

Sectional title unit A unit 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.

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

Socio-economic development’ is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". **Sustainable** development encompasses a balance between three pillars, namely economy, environment and society. The requirements of each must be considered and integrated into all activities to achieve sustainability.

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.

Squatters/Dwellers” means the workers previously employed by agricultural owners currently residing on the agricultural property and has not yet been addressed or the particular cases not yet finalized in terms of the Extension of Security of Tenure Act 62 of 1997.

Vacant Land means land, irrespective of zoning or category and in respect of which the municipality has not issued an occupancy certificate, being unimproved urban land.

Protected areas

means properties that are situated within the boundaries of Kruger National Park excluding Protected Areas Act, 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

3. POLICY PRINCIPLES

- 3.1 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.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 3.4 The 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 or rebates.
- (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; and
 - ii. supports local social economic development
- (d) Cost efficiency : Rates will be based on the value of all ratable property and the amount required by the municipality to balance the operating budget after taking into account profits generated on services and the amounts required to finance free basic services; exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE POLICY

- 4.1 This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

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

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and Executive Committee of the municipality, 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 services:**
- i. Air pollution
 - ii. Fire fighting services
 - iii. Local tourism
 - iv. Municipal planning
 - v. 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.
 - vi. Storm water management system in built-up areas.
 - vii. Trading regulations
 - viii. Fixed billboards and the display of advertisements in public places
 - ix. Cemeteries
 - x. Control of public nuisances
 - xi. Control of undertakings that sell liquor to the public
 - xii. Township development
 - xiii. Facilities for accommodation, care and burial of animals
 - xiv. Fencing and fences
 - xv. Licensing of dogs
 - xvi. Licensing and control of undertakings that sell food to the public
 - xvii. Local amenities
 - xviii. Local sport facilities
 - xix. Municipal parks and recreation
 - xx. Municipal roads
 - xxi. Noise pollution
 - xxii. Pounds
 - xxiii. Public places
 - xxiv. Street trading/street lighting
 - xxv. Traffic and parking
 - xxvi. Building control
 - xxvii. Licensing of motor vehicles and transport permits
 - xxviii. Nature reserves

xxix. Forestry

- (d) **Subsidized services:**
- i. Health and ambulance.
 - ii. Libraries and museums.
 - iii. Proclaimed roads.

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

6.3 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.
- (i) Total expenditure.
- (l) Revenue.
- (m) Surplus/Deficit

6.4 Cost centers will be created to which the costs associated with providing the service can be allocated-

- (a) by Department;
- (b) by Section/service; and
- (c) by Division/service.

6.5 The subjective classification of expenditure each with a unique vote will be applied to all cost centers.

7. CATEGORIES OF PROPERTY

7.1 Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the use of the property only.

7.2 Categories of property within the municipal jurisdiction include:

1. Residential Properties;
 - (a) Residential property consent use – clause 20, clause 21
 - (b) Residential property consent use – clause 21, clause 22
2. Business and Commercial Properties;
3. Industrial Properties;
4. Public Service Infrastructure;
5. Public Benefit Organisations;
6. Agricultural properties used for agricultural
7. Agricultural properties used for other business & commercial purposes (i.e. Private nature; Game Reserve)
8. Agricultural properties used for residential purposes
9. Agricultural properties not used for any purpose
10. Properties used for eco-tourism/hunting and trading in game
11. Municipal Properties;
12. Privately owned towns serviced by the owner;
13. Properties for Religious Use;
14. Vacant Land.
15. Rural communal land
16. Education facilities
17. State-owned Properties
18. Trust Land
19. Protected areas (i.e. National Parks)
20. Properties used for multiple purposes, subject to section 9 of the Act (N/A)
21. Smallholdings used for
 - I. Agricultural purposes
 - II. Residential purposes
 - III. Industrial purposes
 - IV. Business and commercial purposes
 - V. Purposes other than those specified in subparagraph (i) to (iv)

NB: In line with MPRA Amendments published 18 August 2014

“**Agricultural property**” means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion therefore that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting game

8. CATEGORIES OF OWNERS

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

- (a) indigent status of the owner of a property;
- (b) sources of income of the owner of a property;
- (c) owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or

- ii. any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural / forestry properties who are bona fide farmers. (**See definition**)

9. PROPERTY CATEGORY USES

9.1 Rates on properties category will be levied on properties uses:

- (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated; and
 - (b) a purpose corresponding with the dominant use of the property;
- (2) A rate levied on a property assigned to a category of properties used for multiple purposes must be determined by:
- (a) apportioning the market value of the property, in a manner as may be prescribed to the different purposes for which the property is used; and
 - (b) applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments.

10. DIFFERENTIAL RATING

10.1 Criteria for differential rating on different categories of properties will be according to :

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

- (b) The promotion of social and economic development of the municipality.

10.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and/or

10.3 by way of reductions and rebates.

11. EXEMPTIONS

11.1 The following categories of property are exempted from rates:

- (a) Municipal properties: Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.
- (b) Cemeteries and crematoriums: Registered in the names of private persons and operated not for gain.
- (c) Public Service Infrastructure: The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 makes provision that PSI will only pay 25% of the tariff charged to Residential ratepayers.
- (d) Public Service Infrastructure may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962): **The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 as amended by regulation 9242 on 12 March 2010 makes provision that Public Service Infrastructure will only pay % of the tariff charged to residential ratepayers**
- i. Health care institutions: Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
 - ii. Welfare institutions: Properties used exclusively as an orphanage, non-profit retirement villages, 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 to charitable purposes within the municipality.
 - iii. Charitable institutions: Property belonging to not-for-gain institutions or organisations that perform charitable work.
 - vi. Sporting bodies: Property used by an organisation whose sole purpose is to use the property for sporting purposes on a non-professional basis.
 - vii. Cultural institutions: Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act

66 of 1989.

- viii. Museums, libraries, art galleries and botanical gardens: Registered in the name of private persons, open to the public and not operated for gain.
- ix. Youth development organisations: Property owned and/or used by organisations for the provision of youth leadership or development programmes.
- x. Animal welfare: Property owned or used by institutions /organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

11.2 Exemptions will be subject to the following conditions:

- (a) all applications must include a constitution of the organization and be addressed annually in writing to the municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the municipal manager or his/her nominee must approve all applications;
- (d) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought
- (e) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

12. REDUCTIONS

12.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by:-

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
- (b) any other serious adverse social or economic conditions

12.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

12.3 All categories of owners can apply for a reduction in the rates payable as described above

13. REBATES

13.1. Categories of property:

- (a) Business, commercial and industrial properties:
- i. The municipality grant a rebate of 20% to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:
 - a. permanently employ more than twenty (20) workers with South African citizenship for at least a continuous period of twelve (12) months, and the salaries / wages are strictly in terms of the minimum standards set by the Department of Labour;
 - b. social upliftment of the local community
 - c. creation of infrastructure for the benefit of the community.
 - ii. Rebates will be granted on application subject to:
 - a. a business plan issued by the directors by the 30th of September each year, of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. 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;
 - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - d. a municipal council resolution.
- (b) Residential properties: The municipality grants a 15% rebate, which applies to improved residential property that is:
- i. used predominantly for residential purposes, with not more than two dwelling units per property.
 - ii. registered in terms of the Sectional Title Act.
 - iii. owned by a share-block company.
 - iv. privately developed estates used for residential purposes.
 - iv. a rateable residence on property used for or related to educational purposes.
- (c) Privately owned towns by owner : The municipality grants an additional rebate of 0%, over and above as stipulated in paragraph 13.1 (c) which applies to privately developed estates qualifying as defined in paragraph

2.3 of this policy. Privately owned towns by owner not maintaining the total services of the estate will receive a 0% rebate. This is subject to an application to the municipality

- (d) Bona fide- Agricultural property ratio:
- i. Qualifying requirements are that the owner or the person renting a property from a owner should be taxed by SARS as a farmer and the last tax assessment must be provided as proof, or
 - ii. where the owner or the person renting the agricultural property is not taxed as farmer, proof is required that income from farming activities exceeds 40% of the total income generated.
 - iii. The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 makes provision that bona- fide farmers will only pay 25% of the tariff charged to residential ratepayers as amended by regulation 9242 on 12 March 2010.
 - iv. Agricultural properties used for other business & commercial purposes will receive a 0% rebate
 - v. Agricultural properties used for residential purposes will receive a 15% rebate
 - vi. Agricultural properties not used for any purpose will receive a 0% rebate
 - vii. Agricultural properties used for eco-tourism/hunting and trading in game will receive a 0% rebate
- c. Agricultural properties will be granted relief in terms of Gazette no 32061 subject to:
- i. the submission of an affidavit by 30 September each year from each qualifying farmer and including a certificate from the owner's/farmers auditors or such time as may be required by the municipality.
 - ii. an assessment by the municipal manager or his/her nominee indicating that the application qualifies; and
 - iii. a municipal council resolution.
 - iv. All other Agricultural categories on submission of a application for such rebate.
- d. If the farm property is impacted by the Extension of Security of Tenure Act 62 of 1997 the value of the identified property impacted by the Act will be excluded from the total valuation for rating purposes. The benefits, rights and privileges associated with the identified property must also be valued in order to obtain the true market related valuation.

The municipality must be notified by the owner of such property impacted by the Extension of Security of Tenure Act 62 of 1997 in order to qualify. All relevant deeds and legal documents pertaining to the property and applicant should be attached to the application.

e. Public Benefit Organisations

The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 as amended by regulation 9242 on 12 March 2010 makes provision that Public Benefit Organisations will only pay 25% of the tariff charged to residential ratepayers.

- (iv) It be specifically noted that agricultural owners that had been adversely affected by disaster or loss of income not necessarily as set out in the Disaster Management Act, 2002 (Act No. 57 of 2002) but as agreed to by the Department of Agriculture and Agricultural unions also be exempted by the meaning of **SECTION 15: EXEMPTIONS, REDUCTIONS AND REBATES**

as set out in ANNEXURE “A” LEGAL REQUIREMENTS paragraph 2 . (c) “owners temporarily without income”(such conditions to qualify be attached to this rates policy as annexure “B”)

13.2 Categories of owners:

(a) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons qualify for an additional rebate of 30%, over and above the residential rebate as set out in paragraph 13.1 (b) according to monthly household income. To qualify for the rebate a property owner must:
 - a. occupy the property as his/her normal residence;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding R 12000;
 - d. not be the owner of more than one property; and
 - e. 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.

- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- iii. Applications for rebate or exemptions must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner confirming that criteria as set out above.
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at a younger age than 60 for medical reasons (proof thereof must be submitted).
- iv. These applications rebate ,exemptions must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought or such time that the municipality may invite the applications.
- v. The municipality retains the right to refuse rebates if the details supplied in the application form mentioned above were incomplete, incorrect or false.

13.3 Phasing in of rates

- (a) will only apply to the following financial years; 2009/2010, 2010/2011, 2011/2012 and 2012/2013 :
 - i. for the 2009/2010.financial year 25% of the rate payable will be billed.
 - ii. for the 2010/2011.financial year 50% of the rate payable will be billed.
 - iii. for the 2011/2012.financial year 75% of the rate payable will be billed.
 - iv. for the 2012/2013 financial year the full amount due and payable will be billed.

- (b) This rebate will not apply to the increase of rates due to a supplementary valuation that was done in terms of Section 78(1) of the Act.
- (c) This rebate is applicable to the following categories:

Newly rated property, never before rated as from the implementation of the new Act.

14. **COST TO THE MUNICIPALITY DUE TO EXEMPTION, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY**

Information within the following format shall be submitted to Council on an annual basis to report on the related cost to Council provided the system is able to produce the report in the required manner :

- (a) Costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates-

i.	Exemptions :	R
	Municipal properties	.....
	Residential properties	.....
	Cemeteries and crematoriums	.....
	Public service infrastructure	.....
	Public benefit organizations	.....
ii.	Reductions :	
	Properties affected by disaster	.....
	Properties affected by serious adverse social or economic conditions	.....
iii.	Rebates Enterprises that promote local, social and economic development :	.....
	State properties	.....
	Residential properties	.....
	Retired and disabled persons	.....
	Phasing in Newly rateable property	.....
	Land reform beneficiaries	.....
	Rebate to limit the increase of rates	.....

iv. Exclusions :

Public service infrastructure	.....
Protected areas	.....
Land reform beneficiary	.....
Residential property (mandated R 15 000 exemption)	.....
Public places of worship	.....

- (b) The benefit to the community of granting relief measures will be-
- i. the promotion of local economic development including attracting business investment, for example small business establishment;
 - ii. creation of employment for municipal residents;
 - iii. promotion of service delivery, for example by farmers;
 - iv. poverty alleviation to the indigents;
 - v. social development and moral development, for example, by religious institutions, sports institutions, schools and other non governmental organisations which promote health and other benefit to the community; and
 - vi. Improved local economic growth.

15. RATES INCREASES

- (a) The municipality will consider increasing rates annually during the budget process in line with national guidelines issued by National Treasury.
- (b) Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- (c) Relating to community and subsidised services the following annual adjustments will be made:
 - i. All salary and wage increases as agreed at the South African Local Government Bargaining Council and in terms of the Remuneration of Public Office Bearers Act;
 - ii. An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds, and
 - iii. Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (d) Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during a budget review

process will be financed by an increase in property rates annually during the budget process.

- (e) Affordability of rates to ratepayers with special reference to the Property Rates Act No 6 of 2006 chapter 2, paragraph 20.
- (f) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

16. NOTIFICATION OF RATES

- (a) The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- (b) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

17. PAYMENT OF RATES

- 17.1 Ratepayers may choose between paying rates annually in advance with one installment on or before the 15th of August of each year or in twelve equal installments on or before the fifteenth day of the month following on the month in which it becomes payable.
- 17.2 Interest on arrear rates, whether payable on or before the 15th of August or in equal monthly installments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality at % in the tariff book.
- 17.3 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.
- 17.4 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- 17.5 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall

be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

- 17.6 In addition to paragraph 17.5 , where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

18 REGULAR REVIEW PROCESSES

- 18.1 The rates policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

19. SHORT TITLE

- 19.1 This policy is the Property Rates Policy of the Ba-Phalaborwa Municipality.

20. ENFORCEMENT/IMPLEMENTATION

- 20.1 This policy has been approved by the Municipality by council resolution and shall be reviewed annually.

21. LEGAL REQUIREMENTS

- 21.1 The legal requirements of the Act is attached as Annexure A to this policy document.