

BA-PHALABORWA LOCAL MUNICIPALITY



MUNICIPAL PROPERTY RATES BY-LAW(S)

2026-2027

Ba-Phalaborwa Municipality, hereby, in terms of section 6 of Local Government: Municipal Property Rates Act, 2004, has by way of resolution adopted the Municipal Property Rates By- Law set out hereunder.

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MUNICIPAL PROPERTY RATES BY-LAW(S)

PREAMBLE Section 229(1) of the Constitution requires a municipality to impose rates on Property and surcharge on fees for services provided by or on behalf of the municipality.

AND WHEREAS section 13 of Municipal System Act, 2000 read with section 162 of the Constitution require Municipality to promulgate municipal by-laws by publishing them in the gazette of relevant province.

AND WHEREAS Section 6 of Local Government: Municipal Property Rates of Act, 2004 require Municipality to adopt by-laws to give effect to the implementation of its Property rates policy: the by-laws may differentiate between different categories of properties and different categories of owners of properties liable for payment of rates;

1. Purpose of the By-law

The purpose of the Property Rates bylaw is to give effect of the policy

2. DEFINITION

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

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

Business Property - means commercial or business property (also called investment or income property) and refers to buildings or land intended to generate a profit, either from capital gain or rental income. Business property includes, but is not limited to, office buildings, medical centres, hotels, malls, retail stores, hunting and game farms as well as fillings stations.

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.

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;

public service Infrastructure purposes - in relation to the use of a property, means property owned and used by an organ of state as-

- (a) Hospitals and clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law, but excludes property contemplated in the definition of "public service infrastructure"

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

- (a) Public Benefit Organisation) PBO is defined in the Act as any organisation which is:
- (b) a non- profit company as defined in section 1 of the Companies Act, or a trust or an association of persons that has been incorporated, formed, or established in the Republic; or
- (c) any branch within the Republic of any company, association or trust incorporated, formed, or established in any country other than the Republic that is exempt from tax on income in that other country;
- (d) of which the sole or principal object is carrying on one or more public benefit activities, where-
- (e) all such activities are carried on in a non-profit manner and with an altruistic or philanthropic intent;
- (f) no such activity is intended to promote the economic self-interest of any fiduciary or employee of the organisation directly or indirectly, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
- (g) where each such activity carried on by that organisation is for the benefit of, or is widely accessible to the general public at large, including any sector thereof (other than small and exclusive group).
- (h) The conditions and requirements for an organisation to be approved as a PBO are contained in section 30 while the rules governing the preferential tax treatment of PBOs are contained in section 10(1)(cN).

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

Municipal - Means the land owned by the municipal council

Place of Worship - means property used primarily for the purposes of congregation /Church service

Nature Reserve – means those parts of a special nature reserve, national park or nature reserve as contemplated in applicable environmental legislation.

3. Property Category uses

3.1 Rates on property categories will be levied according to the use of the property:

- (a) use of the property;

3.2 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.

4. OBJECTS

The object of this by-law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of Municipal Property Rates Act.

5. ADOPTION AND IMPLEMENTATION OF RATES POLICY

5.1. The Municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on the levying of rates on rateable property within the jurisdiction of the municipality; and

5.2. The municipality shall not be entitled to levy rates other than in terms of its Rates Policy.

6. CONTENT OF RATE POLICY

The Rates Policy shall, inter alia

6.1. Apply to all rates levied by the Municipality pursuant to the adoption of its Annual Budget;

6.2. Comply with the requirements for:

6.2.1. The adoption and content of rates policy specified in the section 3 of the Act;

6.2.2. The process of community participation specified in section 4 of the Act; and

6.2.3. The annual review of a Rates Policy specified in section 5 of the Act.

6.3. Provide for principles, criteria and implementation measures that are consistent with Municipal Property Rates Act for the levying of rates which council may adopt.

6.4. Provide for enforcement mechanism that are consistent with the Municipal Property Rates Act and the Local Government; Municipal System Act of 2000 (Act No. 32 of 2000).

7. ENFORCEMENT OF THE RATES POLICY

The municipality's Rates Policy shall be enforced through the credit control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

8. SHORT TITLE AND COMMENCEMENT

8.1 This by-law is called the Municipal Property Rates By-law, and takes effect on 1 July 2026.

9. By-law Approval

By law was formulated by Budget and treasury Management in consultation with the Treasury.

10. Review and amendment of the by-law

- This by law must be reviewed periodically in order to ensure continued alignment with the MFMA, applicable regulations, National Treasury guidance, audit findings and the operational needs of the municipality.
- In addition to periodic review, the municipality must review this by law where:
- Legislative or regulatory amendments affect assets Management processes;
- Audit findings or oversight recommendations indicate weaknesses in assets management;
- Institutional changes require clarification of roles, procedures or reporting lines; or
- Practical implementation challenges reveal gaps or ambiguities in the Policy.
- The Council must approve any amendment to this by law following consideration of a formal submission setting out the reasons for the amendment, the proposed changes and the implications for financial governance and oversight.
- Until amendments are approved by Council, the existing provisions of
- this by law remain binding on all officials and councillors.

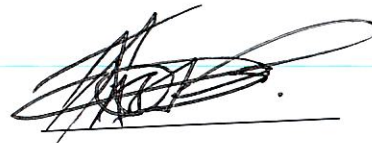
11. ADOPTION BY THE COUNCIL

Resolution NO: 461/26	Approved date: 27 MAY 2026
Effective Date 01 July 2026	Review date: Annually

AUTHORITY



**MUNICIPAL MANAGER
MS MOKOBI ST**



**COUNCIL SPEAKER
MR. NO MABUNDA**

