



PROPERTY RATES POLICY  
EXTRACT OF  
AMENDMENTS  
FIRST DRAFT

2018/2019

## General Explanatory note:

Words in red indicates insertion

Words in ~~red~~on cancelled indicates omissions

## OBJECTS OF THE POLICY

The Local Government Municipal Property Rates Act (Act no 6 of 2004) as amended from time to time requires a municipality to develop and adopt a rates policy consistent with the Act on the levying of rates on rateable property in the Municipality.

The main object of the policy is to address the problems and/or make improvements that have been experienced in the implementation on the last financial year and to promote the effective and efficient implementation of the policy

## SUMMARY OF THE POLICY

### The Amendment of 2.4 key objectives of the policy are to:

By the substitution in paragraph (f) ~~encourage~~ ~~not-discourage~~ the development of property;

### The Amendment of 5.2 different categories of properties

5.1 The Council has determined the following categories of property for purposes of rating:

By the insertion of paragraph<sup>2</sup> (i) – (ii)

(i) ~~sectional title: residential~~

(ii) ~~Sectional title: business~~

By the insertion of paragraph (3)

residential for Commercial/Rental(~~residential with consent use~~)

By the omission of table 5.3

~~5.2 The Council has determined the following ratios relevant to each category to the rate on residential properties for purposes of tariff rating:~~

<b>Category</b>	<b>Ratio</b>
<del>(1) residential properties</del>	<del>1.00</del>
<del>(2) industrial properties</del>	<del>2.00</del>
<del>(3) business and commercial properties</del>	<del>2.00</del>
<del>(4) farm properties used for:</del>	
<del>    i. agricultural purposes;</del>	<del>0.25</del>
<del>    ii. other business and commercial purpose;</del>	<del>2.00</del>
<del>    iii. industrial purposes</del>	<del>2.00</del>
<del>    iv. residential purposes; or</del>	<del>1.00</del>
<del>    v. purposes other than those specified above;</del>	<del>2.00</del>
<del>(5) small holdings used for:</del>	
<del>    i. agricultural purposes;</del>	<del>0.25</del>
<del>    ii. residential purposes;</del>	<del>1.00</del>
<del>    iii. industrial purposes;</del>	<del>2.00</del>
<del>    iv. business and commercial purposes; or</del>	<del>2.00</del>
<del>    v. purposes other than those specified above;</del>	<del>2.00</del>
<del>(6) state-owned properties;</del>	
<del>    state-owned properties; schools</del>	<del>2.00</del>
<del>    state-owned properties; residential</del>	<del>1.00</del>
<del>    state-owned properties; vacant land</del>	<del>2.00</del>
<del>    state-owned properties; for public benefit organization</del>	<del>0.25</del>
<del>    state-owned properties; for agricultural purposes</del>	<del>0.25</del>
<del>    state-owned properties; for business purpose</del>	<del>2.00</del>
<del>    state-owned properties; for industrial purpose</del>	<del>2.00</del>
<del>    state-owned properties; private commercial purposes</del>	<del>2.00</del>
<del>(7) municipal properties; (leased property will be levied in terms of category 0.00)</del>	
<del>(8) public service infrastructure;</del>	<del>0.25</del>
<del>(9) privately owned towns serviced by the owner;</del>	<del>1.00</del>
<del>(10) informal settlements;</del>	<del>0.00</del>
<del>(11) mining and quarries;</del>	<del>2.00</del>
<del>(12) vacant land;</del>	<del>4.50</del>
<del>(13) protected areas;</del>	<del>0.00</del>
<del>(14) properties on which national monuments are proclaimed;</del>	<del>0.00</del>
<del>(15) properties used for multiple purposes; (Actual use to be billed)</del>	<del>0.00</del>
<del>(16) places of worship</del>	<del>0.00</del>
<del>(17) Properties owned by public benefit organisations</del>	<del>0.25</del>
<del>(18) Illegal use</del>	<del>8.00</del>
<del>(19) Private schools</del>	<del>2.00</del>
<del>(20) Private sport/social clubs &amp; section 21 companies</del>	<del>2.00</del>
<del>(21) Residential properties for commercial/Rental</del>	<del>3.00</del>

## Amendment of section 8 Exemptions, Reductions and Rebates

By the insertion in paragraph 8

The Municipality may, in terms of criteria set out in this Policy exempt a specific category of owners of properties, or the owners of a specific category of properties, from the payment of a rate levied on their property, or grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction on the rates payable in respect of their properties in terms of Section 15 of the Act.

### 8.1 RESIDENTIAL

By the omission in paragraph 8.1 and insertion of paragraph 8.1.1

The Council may grant a reduction in the market value of residential property by resolution of the Council, to be read with section 17(1) (h) of the Act. ~~regarding impermissible rates on the first R15 000, and a further R85 000, which are exclusively used for residential purposes.~~

8.1.1. In terms of the property Rates Act, the first R15 000 of the property's market value of owners of residential premises and sectional titles which are used exclusively for residential purposes are excluded from the levying of property rates. Market Value R0 - R15 000 Exempted. All residential premises and sectional titles who are used exclusively for residential purposes (guest house excluded) are further granted a reduction of R85 000 from the payment of property rates. Market Value R15 001- R100 000 Reduction

By the insertion and omission in paragraph 8.4 (b) (e) (g) (h) and

By the insertion in paragraph: The rebate shall (a) – (i)

By the insertion in paragraph: The pensioner's reduction will lapse (b) and omission in paragraph (e) insertion (e) (g).

- Produce a valid **South African bar coded** identity document or **Smart Identity Card**;
- Must be at least 60 years of age upon application, provided that where couples are married in community of property and the property is registered in both their name, the age of the eldest will be the qualifying factor;
- Be in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount as determined by Council from time to time;

- ~~A once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll. Application for a rebate must be renewed annually on a form prescribed by the Council.~~
- Not be in receipt of an indigent assessment rate rebate;
- The applicant must permanently reside permanently on the property; ~~concerned which consists of one dwelling only and no part thereof is sub-let; and~~
- Confirm the aforementioned details by means of a sworn affidavit.

The rebate shall be as follows:

- A further rebate of 80% will be granted to owners of residential premises and sectional titles who are depended on government pensions or social grants or other revenue and whose joint household income does not exceed R8 300.00 per month on application. If a household has a gross monthly income above R8300.00 but less than or equal to R12 500.00, he/she qualifies for a 40% rebate, provided the pensioner is at least 60 years of age.

Subject to the following conditions

- An applicant must on 2018-07-01 be at least 60 years of age and or disabled
- except in the case of owners depended on social grants.
- An applicant or his/her wife/husband must be the registered owner as well as the occupant of the property concerned.
- An application for rebate on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal.
- Should any incorrect information be furnished in the application form, property rates will be levied at the normal tariff as from 2018-07-01.
- A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.
- The required information must be confirmed by a sworn affidavit.
- The said further rebate as contemplated in (a) shall not be applicable on any applicant who is registered as an indigent and who receives an indigent subsidy from the Polokwane Municipality.
- All exemptions, rebates and reductions are subject to an amount determined by a resolution of Council at its annual budget.

The pensioner's reduction and rebate will lapse:

- On death of the applicant;
- On the date of transfer of property
- On alienation of the property;
- When the Applicant ceases to reside permanently on the property;
- ~~On expiry of validity period of valuation roll.~~ Unless indicated to the contrary in this Policy, the existing application will lapse should it not be renewed annually. Relief will only be re-instated prospectively from the next practical billing cycle once a renewal

application, on the prescribed form, has been approved. The onus is on the beneficiary to ensure that the Relief has been renewed.

- Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from the date of inception of the rebate.
- Where the applicant ceases to meet all the relevant qualifying criteria.
- When the property undergoes a category change and no longer meets the qualifying criteria for Relief.

By the substitution in paragraph 8.13

### 8.13 OWNERS OF PROPERTIES USED FOR BONA FIDE FARMING PURPOSES

Properties used for bona fide agricultural purposes with the property owner deriving his principle source of income from produce of the land may receive a rebate of ~~50%~~20%.

By the deletion in paragraph 8.14

### ~~8.14 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES~~

~~Properties used for business or industrial purposes whose improved market value is R50 000 000 and above will receive rebates as follows but limited to one rebate each property (5% or 10% or 20% based on market value):~~

~~Market Value R 50 000 000 — R 99 999 999 — 5% rebate~~

~~Market Value R 100 000 000 — R 499 999 999 — 10% rebate~~

~~Market Value R 500 000 000 and above — 20% rebate~~

By the substitution in paragraph 8.15

### 8.15 OWNERS OF RESORTS ON AGRICULTURAL OR RURAL LAND

Properties on agricultural or rural land used for resort purposes and the improved market value is above R30 000 000 will receive a rebate of ~~20%~~10%, excluding eco-tourism.

By the substitution in paragraph 8.16

### 8.16 OWNERS OF DEVELOPMENT LAND – REMAINDER OF TOWNSHIPS

The remainder of a township will be valued, categorised and rated ~~according to Farm properties~~ ~~Business and Commercial used for other~~ (remainder) as a category within the policy.

By the deletion in paragraph 8.17

### ~~8.17. OWNERS OF PROPERTIES SITUATED WITHIN A PRIVATE TOWNSHIP~~

~~Owners of properties situated within a private township where the internal municipal services are maintained by the owners are rebated as per ratio. (0%) will no longer receive a rebate. Rebates will be consistent with the category.~~

By the insertion in paragraph 8.18

### 8.17. RELIGIOUS ORGANISATIONS

Religious organisations such as places of public worship and the official residence are excluded from payment of rates in terms of section 17 of the Act.

Properties owned by public benefit organizations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act are exempted subject to the following criteria;

8.18.1 On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of the church which is occupied by an office-bearer of that church who officiates at services at that place of worship in terms of section 17(1) (i) of the Act. The exemption is applicable also on a property registered in the name of and used primarily as a place of public worship by a religious community that does not erect buildings.

By the insertion in paragraph 13.4

### MUNICIPAL RATES AND TAXES: CLEARANCE CERTIFICATE

A Clearance Certificate is required by the registrar of the deeds office certifying that the last two years debts have been paid in full on a property in terms of section 118 of the Local Government: Municipal Systems Act, 2000 (Act no.32 of 2000)

Issuing of clearance certificates shall be made.

Clearance Certificates shall be in accordance with Council's Credit Control and Debt Collection policy and relevant By-laws.

By the insertion in paragraph 14. Table 14.1 and 14.2

## 14. Ratios and Tariffs

### 14.1 Tariffs Ratios for Differential Rating

The Council has determined the following ratios relevant to each category to the rate on residential properties for purposes of tariff rating:

<b>Category</b>	<b>Ratio</b>
(1) residential properties	1.00
(2) industrial properties	2.00
(3) business and commercial properties	2.00
(4) farm properties used for:	
i. agricultural purposes;	0.25
ii. other business and commercial purpose;	2.00
iii. industrial purposes	2.00
iv. residential purposes; or	1.00
v. purposes other than those specified above;	2.00
(5) small holdings used for:	
i. agricultural purposes;	0.25
ii. residential purposes;	1.00
iii. industrial purposes;	2.00
iv. business and commercial purposes; or	2.00
v. purposes other than those specified above;	2.00
(6) state-owned properties;	
state-owned properties; schools	2.00
state-owned properties; residential	1.00
state-owned properties; vacant land	2.00
state-owned properties; for public benefit organization	0.25
state-owned properties; for agricultural purposes	0.25
state-owned properties; for business purpose	2.00
state-owned properties; for industrial purpose	2.00
state-owned properties; private commercial purposes	2.00
(7) municipal properties; (leased property will be levied in terms of category)	0.00
(8) public service infrastructure;	0.25
(9) privately owned towns serviced by the owner;	1.00
(10) informal settlements;	0.00
(11) mining and quarries;	2.00
(12) vacant land;	4.50
(13) protected areas;	0.00
(14) properties on which national monuments are proclaimed;	0.00
(15) properties used for multiple purposes; (Actual use to be billed)	0.00
(16) places of worship	0.00
(17) Properties owned by public benefit organisations	0.25
(18) Illegal use	8.00



(19) Privateschools	2.00
(20) Privatesport/social clubs& section21companies	2.00

By the omission in table 14.2

## 14.2 Tariffs for 2018/2019

The Polokwane Municipality will levy from **1 July 2018** the following property rates in respect of the different categories of rateable property recorded in the valuation roll.

Code	Category	Approved tariff from 01/07/2018
AI	Residential Property, low and high density	0.00543
AII	Residential Property, sectional title	0.00543
AIII	Residential Property consent use - clause 20 (old) & 21(new)	0.01085
AIIIA	Residential Property consent use - clause 21 (old) & 22 (new)	0.01085
AV	Residential impermissible use or illegal use	0.0434
AVI	Residential privately owned towns - services by owner	0.00543
AVII	Vacant land	0.01085
B	Industrial properties	0.01085
BI	Industrial properties, sectional title	0.01085
C	Business & commercial properties	0.01085
CI	Business & commercial properties, sectional title	0.01085
DI	Farm properties used for agricultural purposes	0.00135
DII	Farm properties used for business and commercial purposes	0.01085
DIII	Farm properties used for residential purposes	0.00543
DIV	Farm properties used for other purposes (remainder of property)	0.00135
FI	Small holdings used for agricultural purposes	0.00135
FII	Small holdings used for residential purposes	0.00543
FIII	Farm or Small holdings used for industrial purposes	0.01085
FIV	Small holdings used for business and commercial purposes	0.01085
GI	State owned properties – schools	0.01085
GII	State owned properties - private commercial activities	0.01085
GIII	State owned properties for residential properties	0.00543
GIV	State owned properties-vacant land	0.02433
GV	State owned properties for public benefit organizations	0.00135
GVI	State owned properties for agricultural purposes	0.00135
GVII	State owned properties for business purposes	0.01085
GVIII	State owned properties for industrial purposes	0.01085
H	Municipal properties	Exempted
HI	Municipal properties - private commercial activities	0.01085
HII	Municipal properties - residential occupied dwellings	Exempted
I	Public service infrastructure	0.00135
J	Privately owned towns serviced by the owner	0.00543
M	State trust land	0.00135
NI	Properties acquired through the Provision of Land and Assistance Act, 1993 or the Restitution of Land Rights Act, 1994	0.00135

P	<del>Properties on which national monuments are proclaimed</del>	<del>Exempted</del>
Q	Properties owned by public benefit organizations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act	0.00135
QI	Private schools	0.01085
QII	Private sport/social clubs & section 21 companies	0.01085
R	Penalty for Illegal use on all other properties	0.0434
POW	Places of worship	Exempted

## 1. SHORT TITLE

This policy shall be called the Property Rates Policy of the Polokwane Municipality for financial year 2018/2019.