



# PROPERTY RATES POLICY

**2018/2019**

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## **PREAMBLE**

**WHEREAS** section 229 of the Constitution of the Republic of South Africa empowers municipalities to levy property rates, subject to national legislation;

**AND WHEREAS** section 2 of the Local Government: Municipal Property Rates Act No. 6 of 2004 is the national legislation that empowers a municipality to levy a rate on property in its area;

**AND WHEREAS** in terms of section 3(1) of the Local Government: Municipal Property Rates Act No. 6 of 2004 the council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality;

**AND WHEREAS** section 3(2) of the Local Government: Municipal Property Rates Act No. 6 of 2004 prescribes what issues are to be addressed in the rates policy;

**AND WHEREAS** any exemptions, rebates or reductions provided for in the Rates Policy must, in terms of section 3(5) of the Local Government: Municipal Property Rates Act No. 6 of 2004, comply and be implemented in accordance with a prescribed national framework;

**NOW THEREFORE** the Council of the Polokwane Municipality has adopted the Policy as set out hereunder: -

## 1. DEFINITIONS

For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

<b>“Act”</b>	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
<b>“Agricultural property”</b>	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a the property for the purpose of ecotourism or for the trading in or hunting of game.
<b>“Annually”</b>	means once every financial year;
<b>“Bona fide farmer”</b>	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
<b>“Business and commercial”</b>	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 in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
<b>“Category”</b>	(a) in relation to property, means a category of properties determined in terms of Section 7 of this policy; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 5 of this policy.
<b>“Child-headed household”</b>	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 the section 28(3) of the Constitution.
<b>“Exemption”</b>	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;
<b>“Illegal use”</b>	means a use that is inconsistent with or in contravention with the permitted use of the property, including advertising sign, in which event and without condoning the use thereof the property will be valued in accordance with section 46(2)(b) & (c) of the Act.

<b>“Industrial”</b>	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.
<b>“Indigent”</b>	means an indigent person referred to in the Indigent Support Policy of the Council
<b>“Multiple purpose”</b>	in relation to a property, means the use of a property for more than one purpose;
<b>“Municipal properties”</b>	means those properties of which the municipality is the registered owner.
<b>“Mining”</b>	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
<b>“Owner”:</b>	<p>(a) in relation to a property referred to in paragraph (a) of the definition of “<i>property</i>”, means a person in whose name ownership of the property is registered;</p> <p>(b) in relation to a right to in paragraph (b) of the definition of “<i>property</i>”, means a person in whose name the right is registered;</p> <p>(c) in relation to a land tenure right referred to in paragraph (c) of the definition of “<i>property</i>”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or</p> <p>(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “<i>property</i>”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “<i>publicly controlled</i>” : Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:</p> <p>(i) a trustee, in the case of a property in a trust excluding state trust land;</p> <p>(ii) an executor or administrator, in the case of a property in a deceased estate;</p> <p>(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;</p> <p>(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;</p>

	<ul style="list-style-type: none"> <li>(v) a curator, in the case of a property in the estate of a person under curatorship;</li> <li>(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;</li> <li>(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or</li> <li>(viii) 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;</li> </ul>
<b>“Permitted Use”</b>	<p>Means the limited purposes for which the property may be used in terms of:</p> <ul style="list-style-type: none"> <li>I. A condition of title.</li> <li>II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time.</li> <li>III. Any legislation applicable to any specific property or properties.</li> </ul>
<b>“Pensioner”</b>	<p>refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;</p>
<b>“Property”</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;</li> <li>(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;</li> <li>(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or</li> <li>(d) public service infrastructure</li> </ul>
<b>“Publicly controlled”</b>	<p>means owned by or otherwise under the control of an organ of state, including:</p> <ul style="list-style-type: none"> <li>(a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999);</li> <li>(b) a municipality; or</li> </ul>

	(c) a municipal entity as defined in the Municipal Systems Act 32 of 2000
<b>“Public service infrastructure”</b>	<p>means publicly controlled infrastructure of the following kinds:</p> <ul style="list-style-type: none"> <li>(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;</li> <li>(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;</li> <li>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</li> <li>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</li> <li>(e) railway lines forming part of a national railway system;</li> <li>(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</li> <li>(g) runways aprons and the air traffic control unit at national or provincial airports; including the vacant land know as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;</li> <li>(h) breakwaters, sea wall, 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 of lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</li> <li>(i) any other public controlled infrastructure as may be prescribed; or</li> <li>(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);</li> </ul>
<b>“Rate”</b>	means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;
<b>“Rateable property”</b>	means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;
<b>“Ratio”</b>	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 general application to all properties within a property category;
<b>“Rebate”</b> ,	in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;
<b>“Reduction”</b> ,	in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
<b>“Residential property”</b>	means a property included in a valuation roll in terms of section 48 (2)(b) as residential.
<b>“Smallholding”</b>	refers to property, whether improved by the construction of a dwelling or not, not large enough to support a commercially viable farming operation, but able to provide a subsistence level of output to the owner of the property;
<b>“Sporting bodies”</b>	refers to organisations whose sole purpose is to use the property owned by them for sporting purposes, whether for gain or not;
<b>“Vacant land”</b>	means a property where no immovable improvements have been erected or improved property with the improvements contributing less than 10% of the market value of the property but excludes vacant land forming part of the remainder of a township.

## **2. BACKGROUND**

### **2.1 INTRODUCTION**

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.

Property rates are the most reliable source of revenue for the Municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, lighting, and storm water drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The Council has resolved, in compliance with the provision of the Act, to impose a rate and as a consequence, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

### **2.2 GUIDING PRINCIPLES**

The following principles will ensure that the Municipality treats persons liable for rates equitably in terms of the Act:

- (a) Ratepayers with similar properties will pay similar levels of rates
- (b) The ability of ratepayers to pay their rates will be taken into account by the Council in dealing with the indigent's ratepayers. The municipality will provide relief measures through exemptions, reduction and rebates.
- (c) The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.
- (d) The municipality will in amending this policy commits itself to a process of community participation.

## **2.3 STRATEGIC FOCUS**

In determining the rates, exemptions, rebates and reductions, the Council may consider the following:

- (a) the impact of rates on the community,
- (b) the impact of rates on business
- (c) the Integrated Development Plan (IDP) of Council
- (d) the impact of rates on the Local Economic Development (LED) strategy of the Council
- (e) the impact of the new rating system on poor residential households and agricultural communities
- (f) when determining the rates on properties the following aspects must be taken into account namely:
  - (i) the effects of rates on the poor, including appropriate measures in order to alleviate the rates burden on them; and
  - (ii) the effect of reaching the objectives set out in paragraph 2.4 of this policy.
- (g) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the afore-mentioned process.

## **2.4 OBJECTIVES OF THE POLICY**

The key objectives of the policy are to:

- (a) ensure that all owners of rateable property are informed about their liability to pay assessment rates;
- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- (c) set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- (d) provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;

- (e) recognise the state, organs of state and owners of public service infrastructure as property owners;
- (f) encourage the development of property;
- (g) Ensure that all persons liable for rates are treated equitably as required by the Act.
- (h) determine the level of increases in rates
- (i) Provide for exemption, rebates and reductions.

### **3. ANNUAL OPERATING BUDGET AND POLICY REVIEW**

The Council must annually consider the levying of rates during the annual budget process when it is tabled in the council in terms of section 16(1) of the Municipal Finance Management Act and if necessary, amend its rates policy. Any amendments to the rates policy must take into account public comments and inputs.

In determining the level of increases in the rates, the criteria to be applied include the following:

- (a) The inflation rate as indicated by the consumer price index;
- (b) Take into consideration the medium term budget growth factors as determined by National Treasury guidelines.

### **4. LEVYING OF RATES**

#### **4.1 RATE TO BE LEVIED ON ALL RATEABLE PROPERTIES**

4.1.1 When levying rates, the Council must, subject to section 7 (1) of the Act levy rates on all rateable property in its area.

4.1.2 Section 7(2) of the Act does not: -

(a) oblige a municipality to levy rates on –

- i) properties of which the Council is the owner;
- ii) public service infrastructure
- iii) properties referred to in (b) of the definition of “property” of this policy; or
- iv) properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices including rural areas without individual legal title.; or

- (b) Prevent the Council from granting in terms of section 15 (1) of the Act exemptions from, rebates on or reductions in rates levied.
- (c) Council will levy some of its properties based on condition of the lease agreement. (e.g. Notarial leases)

4.1.3 Council will levy rates on leased properties unless provided otherwise in terms of the lease agreement.

4.1.4 State owned property no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of properties as specified in this Property Rates Policy would apply.

#### **4.2 AMOUNT DUE FOR RATES:**

A rate in the rand is determined annually by the Council during the budget process.

#### **4.3 PERIOD FOR WHICH RATES MAY BE LEVIED**

In terms of Section 12 of the Act,

- (a) When levying rates, a municipality must levy the rate for a financial year and the rate lapses at the end of the financial year for which it was levied.
- (b) The levying of rate must form part of the municipality's annual budget process and a municipality must annually during its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.
- (c) The rates levied for a financial year may be increased during the financial year only as provided for in Section 28(6) of the Municipal Finance Management Act.

#### **4.4 THE EFFECTIVE DATE OF THE RATES POLICY:**

The rates policy takes effect from 1 July 2018 and subject to review on an annual basis.

### **5. DIFFERENT CATEGORIES OF PROPERTIES**

5.1 The categories of property are determined according to dominant *use* of the property irrespective of the permitted use in terms of the Town Planning scheme. However, council may consider actual use for purposes of rating multiple and illegal use.

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

- (1) residential properties (low & high density)
  - (i) residential property: Consent use – clause 20 (old) & 21 (new)
  - (ii) residential property: Consent use – clause 21 (old) & 22 (new)

- (2) industrial properties
- (3) business and commercial properties
- (4) farm properties used for:
  - (i) Agricultural purposes;
  - (ii) Other business and commercial purpose;
  - (iii) Industrial purposes;
  - (iv) Residential purposes; or
  - (v) Purposes other than those specified above (Remainder);
- (5) smallholdings used for:
  - (i) Agricultural purposes;
  - (ii) Residential purposes;
  - (iii) Industrial purposes;
  - (iv) Business and commercial purposes; or
  - (v) Purposes other than those specified above;
- (6) state-owned properties;
- (7) municipal properties;
- (8) public service infrastructure;
- (9) privately owned towns serviced by the owner;
- (10) informal settlements;
- (11) mining and quarries;
- (12) vacant land;
- (13) protected areas;
- (14) properties on which national monuments are proclaimed;
- (15) properties used for multiple purposes;
- (16) places of worship
- (17) public benefit organization property
  - i. Private Schools
  - ii. Private sport/social clubs and section 21 companies
- (18) illegal use

5.3 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
(i) residential property: Consent use – clause 20 (old) & 21 (new)	2.00
(ii) residential property: Consent use – clause 21 (old) & 22 (new)	2.00
(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;	0.25
(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;	2.00
(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) Private schools	2.00
(20) Private sport/social clubs & section 21 companies	2.00

## **6. CRITERIA FOR EXEMPTIONS, REDUCTIONS AND REBATES**

The following will be taken into consideration for the purpose of granting exemptions, reductions and rebates:

- (a) Indigent status of the owner of a property
- (b) Sources of income of the owner of a property; and
- (c) Social or economic conditions of the area where the owners of property are located e.g. an area declared by the national or provincial government to be a disaster area within the meaning of Disaster Management Act 57 of 2002, to the extent that the property was significantly negatively affected.

## **7. CATEGORIES OF OWNERS OF PROPERTY FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES.**

7.1 The Council has determined the following categories of owners of property or categories of properties in terms of section 15 of the Act.

- (a) Residential
- (b) Indigent owners
- (c) Child headed households
- (d) Pensioners
- (e) Disability grantees/medically boarded persons
- (f) Owners of property situated within an area affected by a natural disaster
- (g) Municipal
- (h) Sporting bodies
- (i) Public benefit organizations/Non-Governmental Organisations (NGO's) and Cultural Organisations
- (j) Protected areas
- (k) Public & private schools, universities & colleges.
- (l) Owners of property situated within an area affected by any other serious adverse social or economic conditions
- (m) Owners of properties used for bona fide farming purposes

## **8. EXEMPTIONS, REDUCTIONS AND REBATES**

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**

In addition to the impermissible rate on the first R15 000 of the market value of residential in terms of section 17(1)(h) of the Act a further reduction of R85 000 will be applicable.

## **8.2 INDIGENT OWNERS**

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality. Owners of property who qualify for the assistance provided by this Policy must make application to access the relief provided.

## **8.3 CHILD HEADED HOUSEHOLDS**

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on child headed households within the Municipality. Qualifying households must make application to access the relief provided in terms of Indigent Support Policy.

## **8.4 PENSIONERS**

Pensioners may receive a reduction and a rebate of an amount as determined by Council from time to time, subject to the following -

### **The applicant must:**

(a) Be the registered owner of property within the following categories of properties:

- Residential;
- Farm properties used for Residential purposes
- Small Holding user for Residential purposes

(b) Produce a valid South African bar coded identity document or Smart Identity Card;

(c) 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;

(d) 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. The municipality may at its own discretion request the applicants to renew applications.

- (e) Not be in receipt of an indigent assessment rate rebate;
- (f) The applicant must permanently reside on the property;
- (g) Confirm the aforementioned details by means of a sworn affidavit.

The rebate shall be as follows:

Monthly Income	Rebate
Less than R8 798.00	80%

**Subject to the following conditions**

- (a) 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.
- (b) An applicant or his/her wife/husband must be the registered owner as well as the occupant of the property concerned.
- (c) 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.
- (d) Should any incorrect information be furnished in the application form, property rates will be levied at the normal tariff as from 2018-07-01.
- (e) 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.
- (f) The required information must be confirmed by a sworn affidavit.
- (g) Indigent owners will not qualify for this rebate.

**The pensioner's reduction and rebate will lapse:**

- (a) 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.
- (b) Where the applicant ceases to meet all the relevant qualifying criteria.
- (c) When the property undergoes a category change and no longer meets the qualifying criteria for Relief.
- (d) On death of the applicant;
- (e) On the date of transfer of property
- (f) On alienation of the property;
- (g) When the applicant ceases to reside permanently on the property;
- (h) On expiry of validity period of valuation roll.

## **8.5 DISABILITY GRANTEES AND / OR MEDICAL BOARDED PERSONS**

Disability grantees and or medically boarded persons may receive a reduction and a rebate of an amount as determined by Council from time to time, subject to the following –

The applicant must:

- (a) Be in possession of a disability card or provide medical proof of disability;
- (b) Be the registered owner of property within the following categories of properties:
  - Residential;
  - Farm properties used for Residential purposes
  - Small Holding user for Residential purposes
- (c) Produce a valid identity document;
- (d) Not be in receipt of an indigent assessment rate rebate;
- (e) Must reside permanently on the property concerned which consists of one dwelling only and no part thereof is sub-let;
- (f) 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 that valuation roll; and
- (g) Confirm the aforementioned details by means of a sworn affidavit.

The disability and medically boarded reduction will lapse:

- (a) on death of the applicant;
- (b) on alienation of the property; or
- (c) when the applicant ceases to reside permanently on the property;
- (d) on expiry of validity period of valuation roll

## **8.6 NATURAL DISASTERS**

Properties that have been damaged by a natural disaster, as defined in terms of the Disaster Management Act 57 of 2002, shall be re-valued as at date of such natural disaster, in accordance with the Act.

On application by the owner of the property damaged, as defined, the Council may fully or partially suspend the levying of rates on that property, as determined by Council from time to time.

## **8.7 MUNICIPAL**

Property owned by Council and used for purposes of service delivery is exempted from paying rates. Municipal properties that are leased or rented out will be categorised and rated in accordance with the provisions of the Act.

## **8.8 SPORTING BODIES**

Sporting bodies may, on application, be granted a rebate as determined by Council from time to time. Applicants must produce 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 (Act 58 of 1962).

The rebate will lapse:

- (a) On alienation of the property; or
- (b) if any such land or building is used for any purpose other than the purpose so exempted;
- (c) on expiry of validity period of valuation roll

## **8.9 PUBLIC BENEFIT ORGANISATIONS / NON GOVERNMENTAL ORGANISATIONS AND CULTURAL ORGANISATIONS**

The following Public Benefit Organisations/ Non-Governmental Organisations may be exempted from paying rates as determined by council from time to time:

### **a) Welfare & Humanitarian Institutions**

Properties used exclusively as an orphanage, non-profit retirement villages, old age home or other non-profit institution for the benefit of the public or a section thereof, provided that any profits from the use of the property are used entirely for the benefit of the institution and / or for charitable purpose.

### **b) Animal Welfare**

Property registered in the name of and used by institutions/ organisations whose exclusive aim is to protect birds, reptiles and other animals on a non-profit basis.

### **c) Cultural**

- (h) Property registered in the name of a declared institution in terms of the Cultural Institutions Act (Act 119 of 1998 as amended) promoting the cultural aims as defined in section (6)(a) and (b) of the Ninth Schedule to the Income Tax Act (Act 58 of 1962 as amended) which reads as follows:
  - (a) The advancement, promotion or preservation of the arts, culture or customs
  - (b) The promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries.
- (iii) Property registered in the name of a cultural organization or any organization which is, in the opinion of the municipality, promoting the cultural aims as defined in section (6)(c) of the Ninth Schedule to the Income Tax Act (Act 58 of 1962 as amended).

Exemptions may be subject to the following conditions:

- (a) Application must be made in writing in the prescribed format and will be valid for duration of validity period of valuation roll;
- (b) Applicants must produce 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 (Act 58 of 1962);
- (c) The Municipal Manager or his/her nominee must approve all applications;
- (d) The Council retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false;
- (e) If during the currency of any financial year, any such land or building is used for any purpose other than the purpose so exempted, the Council shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.

The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;
- (c) On expiry of validity period of valuation roll

## **8.10 PROTECTED AREAS/NATURE RESERVES/CONSERVATION AREAS**

Nature reserves and conservation areas subject to section 17(1)(e) of the Act.

Newly proclaimed nature reserves/conservation areas may receive an exemption upon application and production of the relevant proclamation.

The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;
- (c) On expiry of validity period of valuation roll

## **8.11 PUBLIC AND PRIVATE SCHOOLS, UNIVERSITIES AND COLLEGES**

The following categories of owners may receive a rebate as determined by Council from time to time –

- (a) Public schools which are State funded:
- (b) Private schools which are not State funded in terms of section 34 of the South African Schools Act, 1996 (Act No. 84 of 1996) and are registered as independent schools in terms of the South African Schools Act, 1996 (Act No. 84 of 1996)
- (c) Universities; and
- (d) Technical and other colleges

## **8.12 OWNERS OF PROPERTY SITUATED WITHIN AN AREA AFFECTED BY ANY OTHER SERIOUS ADVERSE SOCIAL OR ECONOMIC CONDITIONS**

A property classified by Council Resolution under this category may receive a rebate of 50%.

## **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 not receive a rebate.

## **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

### **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%, excluding eco-tourism.

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

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

### **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.

## **9. SPECIAL RATING AREAS**

9.1 The Council may by resolution establish special rating areas and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

9.2 Any exclusion, exemption, reduction or rebate granted in terms of this policy does not affect the additional rate payable by the owner in a Special Rating Area.

## **10. MULTIPURPOSE PROPERTIES**

10.1 In case of multiple purpose properties will be valued in terms of section 9(2) of the Municipal property rates Act, apportioned and assigned to dominant use of the property irrespective of the permitted use in terms of the Town planning scheme.

## **11. PUBLIC SERVICES INFRASTRUCTURE**

In terms of section 17(1) of the Act, Public Service Infrastructure will not be rated on the first thirty (30) percentage of the market value.

## **12. CORRECTION OF ERRORS AND OMISSIONS**

12.1 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 in line with the legislation.

## **13. LIABILITY FOR RATES:**

### **13.1 PROPERTY RATES PAYABLE BY OWNERS**

- (a) Rates levied on a property must be paid for by the owner of the property.
- (b) Joint owners are jointly and severally liable for payment of rates on the property.
- (c) The municipality will deliver monthly accounts to the latest address on the municipality's record, however Rates payers remains liable for the payment of the rates whether or not an account has been received and if the account was not received the onus shall be on the rate payer concerned should make necessary enquiries with the municipality.
- (d) A special rate will be required for each Section 78 application after the period allocated in terms of section 49 of the Act has lapsed.

### **13.2 METHOD AND TIME OF PAYMENT:**

Council shall recover an annual levy payable:

- (a) On a monthly basis in twelve (12) near equal instalments on or before the due date as determined by council; or
- (b) Single or one (1) annually amount, as may be agreed to with the owner of the property on or before the due date as determined by council
- (c) Interest on arrear rates shall be charged at the rate determined by council from time to time.'
- (d) An incentive may be offered to residential rate payers if annual rates are settled before due date in July of each year limited to 10% discount.

### **13.3 PAYMENT AND RECOVERY OF RATES:**

Payment and recovery of rates shall be in accordance with Council's Credit Control and Debt Collection policy and relevant By-laws.



#### **14. SHORT TITLE**

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