**Madibeng Local Municipality**



**Draft Property Rates Policy**

**2015/2016**

**PREAMBLE**

WHEREAS the Constitution of the Republic of South Africa,1996 entitles municipalities to impose rates on property in their areas, subject to regulation in terms of national legislation;

AND WHEREAS the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities and in general to meet its' obligation in terms of section 152 of the Constitution of the Republic of South Africa,1996;

AND WHERE AS there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its development responsibilities;

AND WHERE AS income derived from property rate is a critical source of revenue for municipalities to achieve their constitutional objectives, especially in areas that have been neglected in the past due to racially discriminatory, in adequate or inappropriate legislation and regulation;

AND WHEREAS the income derived from property rates is a major source of general municipal revenue and that revenue is not linked to a specific municipal service or the erection of infrastructure related to any municipal service.

AND WHEREAS, it is essential that municipalities exercise their power to impose rates within a statutory framework that not only enhances certainty, uniformity and simplicity across the nation, but also accounts for historical imbalances and the rates burden on the poor;

AND WHEREAS the Constitution of the Republic of South Africa confers on Parliament the power to regulate the exercise by municipalities of their fiscal powers;

Now THEREFORE, the Council of the Madibeng Local Municipality adopts the PROPERTY RATES POLICY as set out in this document.

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**1. LEGISLATIVE CONTEXT**

1.1 This Rates Policy is mandated by Section 3 of the Local Government Municipal Property Rates Act, 2004 (No. 6 of 2004 as amended), 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 as amended) 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 this Act; and

(iii) The Rates By-law.

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**

In this policy, any word or expression to which a meaning has been assigned in the Act, bears that meaning unless the context indicates otherwise, and any expression which denotes any gender, includes the other gender or the singular only, also includes the plural and vice versa.

**“Act"**

Means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004 as amended) and "MPRA, 2004"shall have the same meaning;

**“Agricultural property"**

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

**"Business/commercial"**

Means a property used for the activity of buying, selling or trade in commodities or services and includes any office or other accommodation on the same of, the use of which is incidental to such business, with the exclusion of the business of agricultural, farming or inter alia, any other business consisting of the cultivation of soils, the gathering in of crop or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms and shall include (properties of a township developer registered in a township title) commercial property as the case may be;

**"Category"**

(a)In relation to property, means a category of properties determined in terms of section 8: and

(b) In relation to owners of properties, means a category of owners determined in section 15(2)

**“Chief Financial Officer"**

Means the Chief Financial Officer of the Municipality

**"Constitution of the Republic of South Africa"**

Means the Constitution of the Republic of South Africa, 1996(Act108 of 1996);

**"Council"**

Means the Council of the Madibeng Local Municipality;

 **“Educational institutions"**

Mean Private (Independent) or Public primary and secondary schools, Universities, Colleges and Crèches’ (regardless of whether subsidized or not), registered as educational institutions as per applicable legislation

**"Government property “or" state-owned property"**

Means property owned and exclusively used by an organ of state, excluding farm properties used for residential or Agricultural purposes or not in use and properties owned by Parastatal or public entities;

**"Independent school“**

Means a private school being a public benefit organization of the kind referred to in items 4(a) of Part Land 3(a) Part II of the Ninth Schedule of the Income Tax Act, 1962;

**“Indigent"**

Means any household that is legally resident in the Country and reside in the Madibeng Local Municipality’s jurisdictional area, who due to a number of economic and social factors are unable to pay Municipal basic services as per the Madibeng Local Municipality’s Indigent Policy;

**“Industrial"**

Means a branch of trade or manufacturing, production, assembling or processing of finished or practically finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories and any office or other accommodation on the same property, the use of which is incidental to the use of such factory;

**“Improvement"**

Means any building or structure on or under a property excluding-

(i) A structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and

(ii) Buildings, structures and equipment or machinery referred to in Section 46(3) of the act

**“Income Tax Act, 1962"**

Means the Income Tax Act.1962 (Act58of1962)

**"Land reform beneficiary"**

In relation to a property, means a person who acquired the property through the Provision of Land and Assistance Act, 1993, or the Restitution of Land Rights Act, 1994, or holds the property subject to the Communal Property Association Act, 1996.

**“Land tenure right"**

Means a land tenure right as defined in section1 of the Upgrading of Land Tenure Rights Act 1991 (Act 112 of 1991)

**"Market value"**

In relation to a property, means the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

**"Mining property"**

Means a property used for mining operations a defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 282002)

**“MPRA"**

means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004 as amended);" new order right" means a tenure or other right in communal or other land which has been confirmed, converted, conferred or validated by the Minister in terms of section 18 of MPRA;

**"Multiple purpose"**

In relation to a property, means the use of property for more than one purpose, subject to section 9 of the Act.

**“Municipal property"**

Means any rateable or non-rateable property owned by the Municipality

**"Municipality"**

Means Madibeng Local Municipality established by General Notice No. 317 of 2000, in the North-West Province, dated 29 September 2000, as amended, exercising its legislative and executive authority in terms of section 12 and 14 of the Local Government : Municipal Structures Act, 1998 (No. 117 of 1998), MSA, or its successors in title and includes a structure or person exercising a delegated power in terms of section 59 of the MSA, or carrying out an instruction in terms of this policy or legislation applicable to Local Government as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)

**"Newly rateable property"**

Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:-

(a) A property which was incorrectly omitted from a valuation roll and that reason was not rated before that date,

(b) A property identified by the Minister by the notice in the Gazette where the phasing in of a rate is not justified or

(c) A property that is the result of sub-division or consolidation of land or new township establishment.

**"Non-permitted use"**

Means any use of property that is inconsistent with or in contravention with the permitted use of that property in which event, and without condoning the non-permitted use thereof, the property shall be valued as if it were used for such non-permitted purposes only;

**“Occupier"**

Means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**“Old order right"**

 Means a tenure or other right in or to communal land which.

(a) Is formal or informal;

(b) Is registered or unregistered;

(c) Derives from or is recognized by law, including customary law, practice or usage; and

(d) Exists immediately prior to a determination by the Minister in terms of section 18 of MPRA, but does not include-

(i) Any right or interest of a tenant, labour tenant, share cropper or employee if such right or interest is purely of a contractual nature; and

(ii) Any right or interest based purely on temporary permission granted by the owner of lawful occupier of the land in question, on the basis that such permission may at any time be withdrawn by such owner or lawful occupier;

 **“Owner”**

(i) In relation to a property referred to in paragraph (a) of the dentition of “property" means a person in whose name ownership of the property is registered.

(ii) In relation to a right referred to in paragraph (b) of the definition of “property" means a person in whose name the right is registered.

*(iii)* In relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;

*(iv)) In relation to a* share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);

*(v))* In relation to buildings, other immovable structures and infrastructure referred to in section 17(1) (f), means the holder of the mining right or the mining permit; and

(iii) In relation to a land tenure right referred to in paragraph (c) of the definition of " Property " means a person in whose name the right is registered or to whom it was granted in terms of legislation, or

(iv) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property" means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled"

**“Pensioner"**

For purposes of this rates policy and eligibility for old age rebate, pensioner means any owner of rateable property who has reached the age of 60 years or more during the Madibeng Local Municipality financial year;

**“Permitted use"**

Means the limited purposes for which the property may be used in terms of-

A condition of title;

A provision of the Madibeng Local Municipality applicable Town Planning or Land Use Scheme as amended from time to time;

(iii) Any legislation applicable to any specific property or properties; or

(v) Any alleviation of any such restriction;

**“Person"**

Includes an organ of state

**“Physically or mentally disabled"**

Means a person who, owing to physical or mental disability, is unfit to obtain by virtue of any service, employment or profession the means needed to enable him or her to provide for his or her maintenance. (Social Assistance Act, No. 6 of 2004);

**“Property"**

Means-

(a) Immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person;

(b) Right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(d) Public service infrastructure;

**"Property register"**

Means a register of properties referred to in section 23 of MPRA

**“Protected area"**

Means an area that is or has to be listed in the register referred to in section10 of the National Environmental Management: Protected Areas Act, 2003; "public benefit organization property "means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (healthcare), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act, 1962;

**“Public benefit organisation property"**

Means property owned by public benefit organisations and used for any specified public benefit 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.

**“Public Service infrastructure"**

Means publicly controlled infrastructure as defined by the Amended MPRA;

**"Place of Public Worship"**

Means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-

(a) Registered in the name of a religious community;

(b) Registered in the name of a trust established for the sole benefit of a religious community; or

(c)Subject to land tenure right

**“Rebate"**

In relation to a rate payable on a property, means a discount granted in terms of Section15 of the MPRA, on the amount of the rate payable on the property

**“Reduction"**

In relation to a rate payable on a property, means the lowering in terms of Section 15 of the MPRA, of the amount for which the property was valued and the rating of the property at that lower amount;

**“Residential property"**

Means a property included in a valuation roll in terms of section 48(2) (b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9. But for purposes of this rates policy, this definition excludes hostels, communes, boarding and lodging undertakings, places of instruction, hotels, guesthouses, and any vacant land irrespective of its zoning or intended usage;

**"Rate"**

Means the cent in the Rand of the market value of a rateable property that may be levied on the rate payer as may be determined by the Council from time to time during the Municipality`s budget process;

**"Rateable property"**

Means property on which Municipality may levy a rate subject to the criteria to be applied as defined in this policy, excluding property fully excluded from the levying of rates in terms of Section 17 of the MPRA;

**“Ratio"**

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

**“Sectional title unit"**

Means a section of a building together with its undivided share in the common property apportioned in accordance with the participation quota of the section;

**“State trust land"**

Means land owned by the state-

(i) In trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

(ii) Over which land tenure rights were registered or granted; or

(iii) Which is earmarked for disposal in terms of the Restitution Land Rights Act, 1994(Act No. 22 of 1994);

**"Vacant land"**

Means any vacant land excluding farmland where no immovable improvements have been erected.

**3. GUIDING PRINCIPLES**

**This property rates policy is guided by the following principles:**

Equity, i.e. that all categories of property and categories of owners be treated equitable in relation to each other

Affordability for the taxpayer, i.e. that the rate policy should take in to account issues of affordability across categories of owners

Poverty Alleviation, i.e. that the rate policy should facilitate poverty alleviation within the context of the mechanism at its disposal

Social and Economic Development, i.e. that the rate policy should be cost efficient and should enhance the financial sustainability of the municipality

Financial sustainability, i.e. that the rate policy should utilize the mechanism at its disposal to encourage the development of property in line with the socio- economic development needs and goals of the municipality.

Cost efficiency, i.e. That the administrative cost related to rate policy is minimal taken in to consideration amounts required to finance exemptions, rebates, reductions and phase-in of rates as approved by the municipality.

Community Participation, i.e. that municipality will in amending this policy commits itself to a process of community participation and will engage interested parties and structures such as rate payers' organizations and ward committees.

Encourage development of property in the Madibeng Local Municipality, that the rate policy does not discourage improvements of properties within jurisdiction area of the municipality

**4. DETERMINATION OF CRITERIA FOR LEVYING OF RATES**

**4.1 Different Categories and Rates of Properties**

In this rates policy, the determination of rate categories to levy different rates for different categories of rateable property, were determined according to the following criteria:

4.1.1 Use of property

4.1.2 Permitted use of the property

4.1.3 A combination of (a) and (b).

The municipal valuer of the Madibeng Local Municipality will be responsible for the categorizing of rateable properties and the maintenance thereof, and any change in the actual use of the property, may result in a change of categories.

Categories of rateable property for purposes of levying differential rates are determined as follows:

Residential properties

Business and commercial properties

Educational Institutions

Industrial properties

Mining

Municipal property

State Owned properties

Public Service Infrastructure

Agricultural

Non-permitted use

Public Worship

Vacant Land

State Trust land

Public benefit organization property

Multiple use

Boat House

Privately owned open space

Communal Land

Private Roads

Public Roads

**4.2 Levying of rates**

**4.2.1** **Period for which rates may be levied**

When levying rates, a municipality must levy the rate for a financial year, and this rate lapses at the end of the financial year for which it was levied. The levying of rates must form part of a municipality's annual budget process and at this time of its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.

A rate levied for a financial year may be increased during a financial year only when required in terms of a financial recovery plan (Section 28 (6) of the MFMA).

A rate becomes payable as from the start of a financial year.

**4.2.2 Amount due for Rates**

The Municipality shall as part of each annual operating budget determine a rate in the rand for every category.

Rates are levied in accordance with the MPRA as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll. Rate may be increased or decreased in accordance with the MPRA.

**4.2.3 Liability for Rates**

A rates levied by the Municipality on a property must be paid by the owner of the property. Rates will be levied monthly. If an amount due for rates levied is unpaid by the owner of the property, the Madibeng Local Municipality may recover the amount from the tenant or occupier of the property. The amount due for rates may be recovered from the agent of the owner.

Where the rates levied on a particular property have been as a result of a supplementary valuation made in terms of Section 78 (1) of the MPRA, these rates will be payable with effect from either of the dates as contemplated in section 78(4) (a),(b),(c) or (d) of the MPRA. Recovery of rates due will be in accordance with the Madibeng Local Municipality Credit control and debt collection Policy.

**4.2.4 Accounts to be furnished**

(1) A municipality must furnish each person liable for the payment of a rate with a written account specifying-

(a) The amount due for rates payable;

(b) The date on or before which the amount is payable;

(c) How the amount was calculated;

(d) The market value of the property;

(e) If the property is subject to any compulsory phasing-in discount in terms of section 21, the amount of the discount; and

(f) If the property is subject to any additional rate in terms of section 22, the amount due for additional rates.

(2) A person liable for a rate must furnish the municipality with an address where correspondence can be directed to.

(3) A person is liable for payment of a rate whether or not that person has received a written account.If a person has not received a written account, that person must make the necessary inquiries from the municipality.

(4) The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.

**5. EXCLUSION FROM RATES**

Madibeng Local Municipality may not levy rates on the following:

* 1. Public Service Infrastructure
1. On the first 30% of the market value of public service infrastructure (subject to paragraph Aa of Section 17 (1))
	1. Prohibition on the rating of certain public service infrastructure and the 5-year phasing in of the prohibition

Section 13 of the Amendment Act amends section 17 (1) through the insertion of a new sub-section Aa which prohibits the rating of any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of public service infrastructure. These are the following components of public service infrastructure:

1. National, provincial or other public roads on which goods, services or labor move across the municipal boundary;
2. 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;

(e) Railway lines forming part of a national railway system;

(g) Runways, aprons and the air the traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes; (as amended by section 1(k) of the Amendment Act); and

(h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigation aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels.

**5.3 The rates levied on property referred to in (5.2) must –**

1. In the first year, be no more than 80 per cent of the rate for that year otherwise applicable to that property (meaning that 20% is not ratable in 2015/16);
2. In the second year, be no more than 60 per cent of the rate for that year otherwise applicable to that property (meaning that 40% is not ratable in 2016/17);
3. In the third year, be no more than 40 per cent of the rate for that year otherwise applicable to that property (meaning that 60% is not ratable in 2017/18);
4. In the fourth year, be no more than 20 per cent of the rate for that year otherwise applicable to that property (meaning that 80% is not ratable in 2018/19);
5. In the fifth year, be no more than 10 per cent of the rate for that year otherwise applicable to that property (meaning that 90% is not ratable in 2019/20);

**5.4 Phase in of communal land**

(a)The rates to be levied on newly rateable property shall be phased in over a period of three financial years, subject to subsection (5) of section 21 of the Municipal Property Rates Act, Act 6 of 2004 as amended.

(b) The rates to be levied on newly rateable property belonging to a land reform beneficiary or his or her heirs, shall be phased in over a period of three financial years, which three years shall commence after the exclusion period of ten years following the date on which the title was registered in the name of the beneficiary or his/her heirs at the Registrar of Deeds, has lapsed

(c) The rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities, shall be phased in equally over a period of four financial years.

(d) The *phasing–in discount* on the above mentioned properties shall be as follows:

First year (2015/16): 75% of the rate applicable to the property;

Second year (2016/17): 50% of the rate applicable to the property; and

Third year (2017/18): 25% of the rate applicable to the property.

5.5 On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003), *(Added and deleted by s29 Act 19 of 2008)* or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004 (Act No.10 of 2004), *(Added by s29 Act 19 of 2008)* which are not developed or used for commercial, business, agricultural or residential purposes;

5.6 On mining rights or a mining permit within the meaning of the mineral and Petroleum Resources the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), excluding any building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining;*(Amended by s13 of Act 29 of 2014)*

5.7 On a property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses-

(i) 10 years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds; or

(ii)Upon alienation of the property by the land reform beneficiary or his or her heirs dependants or spouse;*(Amended by s13 of Act 29 of 2014)*

5.8 On the first R15000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality for residential properties; and for properties used for multiple purposes, only on the component of the property that is used for residential purposes.

5.9 On a property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community which is occupied by the office-bearer of that community who officiates at services at that place of worship; and

*(1A)*The exclusion from rates of a property referred to in subsection *(5.5)* lapses-

(a) if the property is alienated or let: or

(b) if the exclusion from rates of a property lapses in terms of paragraph *(a),*if the new owner or lessee becomes liable to the municipality concerned for the rates that, had it not been for subsection (1*)(b),* would have been payable on the property, not withstanding section 78,with effect from the date of alienation or lease.";*(Added by s13 of Act 29 of 2014)*

5.10 The property exclusively used and/ or occupied by the Madibeng Local Municipality.

In an event of any change in use, ownership and/or status of any nature that may affects the exclusion of rates hereof during a financial year, the beneficiary in receipt of such exclusion from rates must notify the municipality and immediately becomes liable for any rates payable on the property, effective from the date such change may have occurred.

5.11 On any part of the seashore as defined in the National Environmental Management: Integrated Coastal Management Act, 2007 (Act No.24 of 2008) *(Amended by s13 of Act 29 of 2014)*

**7. EXEMPTIONS, REDUCTIONS AND REBATES**

Exemptions, Reductions and Rebates will be given to the different categories of properties and owners as follows:

**7.1 Different categories of properties:**

**7.1.1 Residential Properties**

In addition to the impermissible rates of R15000 as referred to in paragraph 5.8 above,

All residential property with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. For the 2015/2016 financial year the maximum amount is determined as R60 000. The impermissible rates of R15 000 contemplated in terms of section 17(1)(h) of the Act are included in the amount as referred to above as annually determined by the Municipality. The balance amounting to R45 000 is aimed primarily at alleviating poverty and forms an important part of the Municipality’s indigent policy.

Residential property shall include smallholdings/agricultural holdings unless the owner can provide sufficient proof to the Chief Financial Officer that he/she/it is conducting bona fide and sustainable farming activities on such property; provided that the keeping of animals or plants for sports and/ or recreational activities shall not be deemed to be a bona fide use for agricultural purposes; provided further any such activities that are merely incidental to the primary use of the property shall not be taken into account. In its exercising as to whether proof is provided the Chief Financial Officer shall inter alia take the following into account in exercising its' discretion:

1. Income and expenditure statements
2. The actual primary use of the property as determined by the municipal valuer.

**7.1.2 Agricultural Properties**

The ratio as referred to under the definition for agricultural property referred to above shall be as follows:

1. The ratio in relation to residential property is:

Residential property1: Agricultural property1:0.25

**7.1.3 Public Benefit Organization Properties**

The rate applicable on public benefit organization property, as prescribed by the *Amended* Municipal Property Rates Regulations published in Government Notice No. 33016 of 12 March 2010 that take effect on 1 July 2010, may not exceed the ratio on to the rate on residential properties where:

Public benefit organization property1:0.25

**7.1.4 Multiple use properties**

Properties in this category will be granted a reduction, rebate and/or exemption applicable in accordance with the apportionment of the value in use in respect of such a property.

**7.1.5 No exemptions, reductions or rebates may be granted on the following categories of property:**

1. Business and Commercial property
2. Industrial Property
3. Non-Permitted Use
4. Vacant Land irrespective of the zoning, except agricultural property
5. State owned property by virtue of ownership

**7.2 Different categories of owners**

The following owners of rateable property may be granted further rebates on rates as hereunder stipulated.

**7.2.1 Indigents**

Indigent household as defined in the Municipality's indigent policy

100% rebate will be granted to registered indigents in terms of the Indigent Policy of the Madibeng Local Municipality.

**7.2.2 Pensioners Rebate**

A maximum/total rebate of 50% will be granted to owners of residential rateable property, who have reached the age of 60 years or his/her spouse, with an income not to exceed an amount of R6500.00 per household per month. The amount will be reviewed during the Madibeng Local Municipality annual budget process. The pensioner property owner must apply for the rebate; proof of income and latest bank statement(s) must be attached. A maximum/total rebate of 30% will be granted to owners of residential rateable property, who have reached the age of 60 years or his/her spouse, if any, with an income not to exceed an amount of R10000.00 per household per month.

The rateable property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;

The applicant must submit proof of his/her age and identity and proof of annual income.

The property must be categorized as residential.

**7.2.3 Physically Disabled**

1. A maximum/total rebate of 50% will be granted to owners of residential rateable property, who are physically disabled. The disabled property owner must apply for the rebate, bank statement(s) and proof of disability must be attached.
2. The applicant must submit proof of his/her identity, proof of certification by a medical Officer of Health and proof of annual income from a social pension;
3. The property must be categorized as “residential".

**7.2.4 Mentally Incapacitated**

**7.2.5 Owners temporarily without income**

The Indigent criteria may be applied temporarily on successful application.

**8. INSPECTIONS OF AND OBJECTIONS TO THE VALUATION ROLL**

Once the Council has given notice that the valuation roll is open for public inspection, any person may within the period as stated in the notice, inspect the roll an objection must be in relation to a specific property and not against the valuation roll as such as stipulated in section 50 of the Municipal Property Rates Act.

**9. DATE OF IMPLEMENTATION AND REVIEW**

This policy will be implemented from 1 July 2015 and shall be reviewed by municipal council on annually before the start of the financial year.

**10. DISCLAIMER**

A rate cannot be challenged on the basis of non-compliance with the rates policy and must be paid in accordance with the required payment provisions.

Where a rate payer believes that the Council has failed to properly apply the provisions of the rates policy, he/she may raise the matter with the Municipal Manager.

**11. DELEGATION OF POWER**

Safe as otherwise provided for in this Property Rates Policy, the Chief Financial Officer shall be empowered to apply and administer all powers pursuant thereto.