



FETAKGOMO TUBATSE LOCAL MUNICIPALITY

FINAL PROPERTY RATES POLICY

2024/2025

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PROPERTY RATES POLICY

1. THE RATES POLICY AS A STATUTORY REQUIREMENT

1.1 The Property Rates Policy of the Fetakgomo Tubatse Municipality (“the Policy”) is created under the auspices of section 229 of the Constitution of South Africa, Act 108 of 1996 (“the Constitution”) which entitles municipalities to impose rates on property, and section 3 of the Local Government: Municipal Property Rates, Act 6 of 2004 (“the Act”) that mandates it to adopt a rates policy consistent with it on the levying of rates on ratable property.

2. THE PURPOSE OF THE RATES POLICY

2.1. The object of this rates policy is to regulate the collection of property rates by the municipality in a manner that is consistent with the Constitution, the Act and other applicable legislation.

3. LEGISLATION GOVERNING THE RATES POLICY

3.1. The Constitution;

3.2. The Act;

3.3. The Municipal Structures Act, 117 of 1998 (“Municipal Structures Act”);

3.4. Local Government: Municipal Systems Act, 32 of 2000 (“Municipal Systems Act”);

3.5. Local Government: Municipal Finance Management Act, 56 of 2003 (“Finance Management Act”).

4. PREAMBLE

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 WHEREAS there is a need to provide municipalities with access to sufficient resources to execute their developmental function; and where income derived from rates is an important revenue source for the municipality necessary for achieving its developmental responsibilities.

AND WHEREAS section 4(1) (c) of the Municipal Systems Act grants the municipality powers to finance the affairs of the municipality through the imposition of rates;

AND WHEREAS section 3 of the Act requires a municipal council to create a regulatory framework for the levying of rates on rateable property in the municipality, in the form of a policy that is consistent with the Act;

AND WHEREAS section 6 (1) of the Act, requires a municipality to adopt By-laws that give effect to the implementation of its rates policy.

AND WHEREAS in terms of section 6 (2) of the Act, By-laws adopted in terms of that section may differentiate between different categories of properties, and different categories of owners of properties liable for the payment of rates.

5. DEFINITIONS

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

“**Actual use**” means the actual activities that are taking place on the property.

“**Agricultural Property**” means a property that is used primarily for agricultural purposes but, without derogating from section 9 of the Act, excludes any portion thereof that is used commercially for the accommodation of guests, or ecotourism or the trading in or hunting of game.

Agricultural property also includes farm property that is used for gain for the purpose of the cultivation of soils for the purposes of planting and gathering of crops; forestry in the context of planting and growing of trees in a managed and structured fashion; the rearing of livestock and the propagation and harvesting of fish, excluding property used for the purposes of eco-tourism or for the accommodation of members of the public for gain; and it excludes property on which game is reared , traded or hunted and any portion on such property used for the accommodation of visitors.

The terms agricultural property and farm are used interchangeably in this document unless the context indicates otherwise.

“**Bona fide Farmer**” refers to the active pursuit by a person /institution for primary income generation from agricultural activities on a specific property or a group of agricultural properties forming part of the specific farming activity.

“Category” (a) in relation to property, means a category of properties determined in terms of section 8 of the Act and section 9.2 of this policy; and (b) in relation to owners of properties, means a category of owners determined in section 15(2) of the Act and section 11 of this policy.

“Child headed household” means a household where the main care giver is under the age of 18, or a household recognised as a child headed household in terms of section 137 (1) of the Children’s Amendment Act, 41 of 2007).

“Indigent” means a person recognised as an indigent in terms of the municipalities adopted indigent policy.

“Market value” in relation to a property, means the value of the property determined in accordance with section 46;

“Municipal Council” means the municipal council referred to in section 18 of the Municipal Structures Act.

“Municipality” means the municipality of Fetakgomo Tubatse Local Municipality;

“Mining property” means any operation or activity for the purpose of extracting any mineral on, in or under the earth and or property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 28 of 2002.

“Multiple-use properties” refer 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;

“Policy” means the Fetakgomo Tubatse Local Municipality Rates Policy.

“Permitted Use”, in relation to a property, means the limited purposes for which the property may be used in terms of -

- a) Any restrictions imposed by -
 - i. A condition of title.
 - ii. A provision of a town planning or land use scheme; or
 - iii. Any legislation applicable to any specific property or properties.

“Privately owned towns serviced by the owner” means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

“Public Benefit Organisation” is any organisation which is:

- a) A non- profit company as defined in section 1 of the Companies Act, 71 of 2008 or a trust or an association of persons that has been incorporated, formed, or established in the Republic;

of which the sole or principal object is carrying on one or more public benefit activities, where-

- i. All such activities are carried on in a non-profit manner and with an altruistic or philanthropic intent;
- ii. 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
- iii. 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)

“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,⁵⁸ of 1962, and must be registered, and in possession of a Tax exemption certificate by the South African Revenue Services in terms of the Income Tax Act.

“Publicly controlled” means owned by or otherwise under the control of an organ of state-including-

- a) A public entity listed in the Public Finance Management Act, 1 of 1999;
- b) A municipality; or
- c) A municipal entity as defined in the Municipal Systems Act.

“Public Service Infrastructure” means publicly controlled infrastructure of the following kind: -

- a) National, Provincial, or other public roads on which goods, services or labour move across a municipal boundary.
- 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.
- c) Power stations, power substation, or power lines forming part of an electricity scheme serving the public.
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of the scheme for transporting such fuel.
- e) Railway lines forming part of a national railway system
- f) Communication towers, masts, exchanges, or lines forming part of the communication system serving the public.
- g) Runways or aprons at national or provincial airports
- h) Breakwaters, sea walls channels, basins, quay walls, jetties, roads, railway, or infrastructure used for the provision of water, lights, power, sewer or similar services of ports or navigational aids comprising light houses, radio navigation aid, buoys, beacons, or any other device or system used to assist the safe and efficient navigation of vessels.
- i) Any other publicly controlled infrastructure as may be prescribed.
- j) Right of way, easement or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

“Private Open Space” means an open space to which the public has no right of access.

“Public Open Space” means an open space to which the public has access and includes, inter alia, a park, garden, play park, recreational park or square.

“Public Service Purpose” in relation to the use of a property, means properties owned and used by an organ of a state such as: -

- a) Public Hospitals.
- b) Public Clinics.
- c) Public Schools and Pre-Schools.
- d) Public ECDC (Early childhood Development Centres).
- e) Public FETC (Further Education and Training Colleges).
- f) National and Provincial Libraries.
- g) National and Provincial Archives.
- h) Police Stations.
- i) Correctional Facilities/ Prisons; and
- j) Courts of Law

“Place of Public Worship” means property registered in the name of and used primarily for purpose of congregation by a religious community, including an official residence registered in the name of that community occupied by an office bearer who officiates at services at that place of worship, excluding a structure that is 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 religious community.
- b) Registered in the name of trust established for the sole benefit of a religious community.

“Owner” means:

- a) In relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- b) 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;
- (c) 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
- (d) 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”, 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: -

(i) a trustee, in the case of a property in a trust excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (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.

"Ratio" means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties.

"Ratable property" means property on which the 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.

"Residential property" means improved property that:

- a) Is used predominantly for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential

property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.

- b) Is a unit registered in terms of the Sectional Title Act, 95 of 1986, and used predominantly for residential purposes.
- c) Is owned by a share-block company and used solely for residential purposes.
- d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- e) And specifically excludes vacant land irrespective of its zoning or intended use.
- f) Residential property shall include smallholdings and farms used as residential 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 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:
 - i) Income and expenditure statements
 - ii) The actual primary use of the property
 - iii) Provision of an income Tax Clearance Certificate issued by the South African Receiver of Revenue in respect of such agricultural activities.

g) Where an incomplete residential property has been erected or in the process of being erected, a supplementary valuation will be done from time to time based on the value of the incomplete structure. On completion or on the issuing of an occupation certificate whichever comes first, a further supplementary valuation will be done to ensure a market related value is rated according to the correct category. Rating of these uncompleted residential properties will be done in accordance with section 8(1) (a), (b) and (c) of the Act.

“Property” means -

- (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;
- (b) a 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

“Special rating area” means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the specified area.

“Surveyed property” means properties which appears on the maps of the Surveyor General but are not yet registered with the South African Deeds Office.

“Rebate”, 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.

“Unauthorized development” where a property is abandoned, developed or used in contravention of the Municipality’s bylaws and regulations, and the municipality changes its category to the unauthorized development use category, notwithstanding any other remedies available in any other Act, by law or regulation.

“Organ of State” means an organ of state as defined in section 239 of the Constitution.

“Vacant land” as a property category for the levying of different rates, means any land, other than farm property and smallholdings, where no immovable improvements have been erected.

“Valuation roll” means a valuation roll created in terms of section 30 of the Act or a supplementary valuation roll created in terms 78 of the Act.

6. POLICY PRINCIPLES

6.1. Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rate able property contained in the municipality’s valuation roll and supplementary valuation roll.

6.2. The municipality has elected to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy in line with section 8 of the Act. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 12 to 14 of this policy, in line with section 15 of the Act.

6.3. In accordance with section 3(3) of the Act, the policy for the municipality is based on the following principles:

(a) Equity

The municipality will treat all ratepayers with similar properties the same.

(b) Affordability

The ability of a person to pay rates will be considered by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, or rebates.

(c) Sustainability

Rating of property will be implemented in a way that:

- ii) it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
- iii) Supports local social economic development.

(d) Cost efficiency

Rates will be based on the value of all rate able property and will be used to fund community and subsidized services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal,

sewerage removal) services and the amounts required to finance exemptions, rebates, reductions as approved by the municipality from time to time.

7. SCOPE OF THE POLICY

7.1. This policy document guides the annual revision of property rates and does not make specific property rates proposals. Details of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

8. APPLICATION OF THE POLICY

8.1. Council shall as part of each annual operating budget component, impose a rate in the rand on the market value of all ratable properties as recorded in the Municipality's Valuation Roll and Supplementary Valuation Rolls.

8.2. The Municipality shall grant exemptions, rebates, and reductions to the categories of properties and categories of owners as allowed for in this policy document.

9. DIFFERENTIAL RATES

9.1. In terms of section 8 of the Act the municipality may levy different rates for different categories of ratable property as determined in subsection (2) and (3) of the Act, which categories must be determined according to the:

- (a) use of the property;

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- (b) permitted use of the property/approved Zoning; or
- (c) a combination of (a) and (b); or
- (d) the geographical area in which the property is located.

10. DIFFERENTIAL RATING

- 10.1. Different rates will be levied in respect of the following categories of ratable properties as prescribed in section 8 of the Act.
- 10.2. Categories of ratable property for purposes of levying differential rates:
 - (a) Residential properties;
 - (b) Business and commercial properties.
 - (c) Industrial properties.
 - (d) Mining properties.
 - (e) Public Service Purpose Properties;
 - (f) Public Service Infrastructure properties.
 - (g) Public Service Infrastructure properties rateable (PSI Definition, C, D & F)
 - (h) Agricultural properties.
 - (i) Properties used for multiple purposes (subject to section 9 of the Act);
 - (j) Public Benefit Organization.

- (k) Vacant Land.
- (l) Private Open Space.
- (m) Public Open Space/Parks.
- (n) Place of Public Worship.
- (o) Unauthorized Development.

10.3. It is recorded that in terms of section 19 (1) of the Act, the municipality may not levy:

- a) different rates on residential properties, except as provided for in sections 11(1)(b) ,21 and 89 of the Act;
- b) a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1)(a) of the Act;
- c) rates which unreasonably discriminate between categories of nonresidential properties; or

additional rates except in special rating areas as provided for in section 22 of the Act.

10.4. In terms of section 19 (2) of the Act, the ratio referred to in section 19(1)(b) may only be prescribed with concurrence of the Minister of Finance.

10.5. Differential rating among the above determined categories of properties will

be undertaken by way of setting different cent amounts in the rand for each property category within the municipal budgetary processes.

10.6. The criteria for weighting the categories determined above, for the purpose of determining rate randages for each category, the following must be considered:

- a) The perceived affordability factor for the different categories of property;
- b) The strategic importance of a category of property with reference to the aims and objectives of the municipality in line with the municipalities constitutional mandate and its governmental purpose.
- c) Prescribed ratios.

10.7. Where a property is abandoned, developed or used in contravention of the Municipality's bylaws and regulations, the Municipality shall change its category to the Unauthorised Development Use category, notwithstanding any other remedies available via any other Act, Bylaw or Regulation.

11.PROPERTIES USED FOR MULTIPLE PURPOSES

11.1. The following criteria will apply to the valuation and rating of multiple use properties in terms of section 9 (2) of the Act:

- a) Apportionment of the market value of a property to the different purpose for which the property is used and;
- b) Application of the relevant rate to each of the components of the property, based on its value.

12.CATEGORIES OF OWNERS ELIGIBLE FOR EXEMPTION, REDUCTIONS OR REBATES

12.1. For the purposes of granting exemptions, reductions, and rebates in terms of clause 13, 14 and 15 of this policy, the categories of owners of properties are determined as follows:

- a) Indigent - owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
- b) Owners of residential properties;
- c) Child headed households;
- d) Pensioners;
- e) Disability grantees/medically boarded persons;
- f) Owners of agricultural properties who are bona fide farmers;
- g) Educational or Private Schools and Colleges;
- h) Municipal Owned;
- i) Privately Owned Towns;
- j) Places Public Worship;
- k) Public Benefit Organisations;
- l) Public Service Infrastructure.

13.EXEMPTIONS

13.1 The following categories of properties are exempted from rates: -

- (a) Municipal properties

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Municipal properties used by the municipality are exempted from paying rates.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates.

13.2 The following category of *owner* is exempted from rates:

a) Indigent owners are exempted from rates on condition that: -

(i) They are registered as indigents in terms of the adopted municipal indigent policy.

(b) Public Benefit organisations as defined in this policy.

(c) Places of Public Worship as defined in this policy.

(d) Public Service Infrastructure as defined in this policy, with exclusion of **c, d, and f** in the definition of public service infrastructure.

13.3 Exemptions will automatically apply, and no application is thus required.

14. REDUCTIONS

14.1 . Reductions as contemplated in section 15 (1) (b) of the Act will be considered on an *ad-hoc* basis in the event of the following:

- a) Partial or destruction of a property that renders it uninhabitable.
- b) Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

14.2 The following conditions shall apply in respect of 14.1 above:

- a) The owners referred to in 11.1 above, where this is applicable, shall apply in writing for a reduction and the onus will rest on the applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.
- b) A maximum reduction, to be determined on an annual basis, will be allowed in respect of situations arising in 13.1.(a) and 13.1(b).
- c) An ad-hoc reduction will not be given for a period more than 6 months unless the municipality gives further extension on application.
- d) If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made, whichever occurs first.

- e) Property owners who apply in terms of section 13.1 (b) will only qualify for a reduction if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

15. REBATES

15.1 The following owners are eligible for a rebate in terms of section 15 (1) (b):

15.2 Privately owned towns serviced by the owner/Developers:

A rebate of 30 % will be granted to privately owned towns serviced by the owner subject to the approval by the accounting officer (on by case-by-case, speculative development will be excluded from the approval).

15.3 Agricultural property:

The ratio referred to in Gazette no. 32061 and 32062 issued on 27th of March 2009 as amended by regulation 9242 on 12 March 2010 makes provision that Public Service Infrastructure and Agricultural property per the approved ratio and will the property rates payable by owners of bone fide farming properties pay 25 % of the tariff charged to residential ratepayers. (No additional rebate will be given as the ratio relates to a 75% rebate in relation the residential rate charged.)

15.4 Businesses:

A 10% rebate will be granted on businesses with title deeds that are situated in rural areas and townships.

15.5 Farms:

A 30% rebate will be granted on residential properties that are on farms.

15.6 Pensioners:

Pensioners may receive a rebate as determined by the municipality, subject to the following conditions:

- a) Be registered owners of the property.
- b) Must be 60 years or more of age upon application.

The property concerned must consist of one dwelling and no part thereof is sub-let, be occupied only by the applicant and his/her spouse, if any, and dependents without income.

- c) Must submit proof of his/her age and a valid identity document.
- d) Must submit proof of monthly income from all sources (including the income of the spouse of the owner) and collectively should not exceed an amount of two times the government old age pension per month as prescribed by the minister of finance.
- e) The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place.
- f) The property must be categorised as "residential."
- g) The applicant must not be in receipt of an indigent assessment rate rebate.
- h) Required proof and applications in approved format to be submitted to the delegated official of the municipality,

15.7 Disability grantees and/or Medical boarded persons.

- a) Disability grantees and/or Medical boarded persons may receive a rebate as determined by the municipality, subject to the following conditions:

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- i) Be registered owners of the property.
- ii) Provide medical proof of disability and/or certification by a medical Officer of Health.
- iii) The property concerned must consist of one dwelling and no part thereof is sub-let, be occupied only by the applicant and his/her spouse, if any, and dependents without income.
- iv) Must submit proof of his/her age and a valid identity document.
- v) Must submit proof of monthly income from all sources (including the income of the spouse of the owner) and collectively should not exceed an amount of two times the disability grant per month as prescribed by minister of finance.
- vi) The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- vii) The property must be categorized as "residential".
- viii) Not be in receipt of an indigent assessment rate rebate.
- ix) Required proof and applications in approved format to be submitted to the delegated official of the municipality,

15.7.1 All rebates will lapse:

- (a) On the death of the rebate applicant.
- (b) On alienation of the property.
- (c) When the applicant ceases to reside permanently on the property.

15.8 Residential Properties in Ga-Mapodile A and Tubatse-A

The 50% rebate will be granted to the residential properties in Ga-Mapodile A and Tubatse A on property rates.

15.9 Rebate on Mining Properties

The 30% rebate will be granted to the mining category in the 2024/2025 financial year.

The 15% rebate will be granted to the mining category in the 2025/2026 financial year.

15.10 Rates levy holiday period on all new developments.

A twelve-month levy holiday period will be applied on all new municipal property developments within the Fetakgomo Tubatse Local Municipality.

16. PAYMENT OF RATES

16.1 The rates levied on the properties shall be payable:

- a) Monthly instalments on a date determined by the municipality; or
- b) annually in a single amount on a date determined by municipality.

16.2 Interest on arrears rates shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.

16.3 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection, and Indigent policy of the Municipality.

16.4 Arrears rates shall be recovered from tenants, occupiers, and agents of the owner, in terms of section 28 and 29 of the Act as follows:

- a) If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:
- b) From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned.
- c) From a tenant or occupier of the property, only after an attempt was made to collect it from an agent referred to in (b) but such attempt was unsuccessful, or no such agent exists or only a part of the outstanding amount could successfully be recovered.

- d) The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier, or agent) of the rates due and payable, but not yet paid by the owner of the property.
- e) The notice referred to in (d) shall give the party concerned at least 14 calendar days to pay the outstanding rates.

16.5 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

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

17. ACCOUNTS TO BE FURNISHED

17.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:

- 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; and
- e) rebates, exemptions, and reductions.

17.2 A person liable for payment of rates remains liable for such payment, whether such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

17.3 In the case of joint ownership, the municipality shall consistently, to minimize costs and unnecessary administration, recover rates from one of the joint owners only if it takes place with the consent of the owners concerned.

18. HANDLING OF ERRORS AND OMISSIONS

18.1 Handling of errors and omissions:

- a) Where the rate levied on a particular property has 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 of the property concerned, the rates payable shall be appropriately adjusted for the period extending from the

date on which the error or omission was detected back to the date on which rates were first levied in terms of the current valuation roll. These adjustments to be done considering the legislation about the Municipal Property Rates Act.

- b) Where the error occurred because of false information provided by the property owner or because of the contravention of the permitted use of the property concerned, clause 20.2(a) will apply and interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

19. REGISTERS OF PROPERTIES

19.1 As per Section 23 of the Act the municipality must draw up and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.

19.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.

19.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:

- a) Exemption from rates in terms of section 15 of the Act, and
- b) Rebates or reductions in terms of section 15 of the Act,

19.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.

20. GENERAL VALUATION

20.1.1 The municipality will undertake a general valuation of all rateable properties in its area of jurisdiction and a valuation roll compiled triennially.

20.1.2 The municipality will undertake a supplementary valuation on an ongoing basis and prepare a supplementary valuation roll once during each financial year.

20.2 The municipality will in accordance with section 79 of the Act, make amendments regularly to the particulars on the valuation roll, only the electronic copy of the valuation roll is updated to incorporate such amendments, except those changes to the roll in circumstances where section 78 of the Act applies, which may only be effected through a supplementary valuation in accordance with the section.

21. FREQUENCY OF VALUATION

21.1 The municipality shall prepare a new valuation roll every 4(four) years, with the option to extend the validity of the valuation roll to 5 (five) years in the case of Local Municipality with the approval of the MEC for Local Government and Housing in the province in terms of section 32 of the Act.

21.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained.

22. RATE INCREASES

- 22.1 The municipality will consider increasing rates annually during the budget process.
- 22.2 Rates increases will be used to finance expenditure not foreseen during the previous budget period and approved by the municipality during a budget review process.
- 22.3 Rate increases will be used to finance the increase in operating costs of municipal services and facilities, community, and subsidized services.
- 22.4 Rates increases will be used generally to assist the municipality to fulfill its constitutional mandate in section 229.
- 22.5 The following criteria may apply to determine the level of the increase of rates:
- a) the financing of increased operating expenditure in the budget of the Council;
 - b) the financing of additional maintenance expenditure included in the operating budget of the Council.
 - c) the financing of additional depreciation charges included in the operating budget of the Council.
 - d) the additional cost of servicing debt included in the operating budget of the Council.
 - e) the augmentation of any revenue shortfall.
 - f) the financing from the annual operating budget of expenditure related to anything the Council is lawfully empowered to do for which provision has to be made in the budget.

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22.5.1 All increases in the property rates will be communicated to the local community in compliance with clause 23 below.

23. COMMUNITY PARTICIPATION

23.1. In accordance with section 4 of the Act, before the municipality adopts the rates policy the municipal manager must follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:

- a. Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head office, satellite offices, libraries and on its website.
- b. Advertise a notice in the media stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.
- c. Invite interested members of the community to submit written comments or representations to the municipality within the specified period in the notice, which must not be less than 30 days.

23.2 Council will consider all comments and/or representations received when considering the finalization of the rates policy.

23.3 The municipality will communicate the outcome of the consultation process in accordance with section 17 of the Municipal Systems Act.

24. SPECIAL RATING AREAS

24.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

24.2 The following matters shall be attended to in consultation with the committee referred to in clause 24.3 whenever a special rating is being considered:

- a) Proposed boundaries of the special rating area;
- b) Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
- c) Proposed improvements clearly indicating the estimated costs of each individual improvement;
- d) Proposed financing of the improvements or projects;
- e) Priority of projects if more than one;
- f) Social economic factors of the relevant community;
- g) Different categories of property;
- h) The amount of the proposed special rating;
- i) Details regarding the implementation of the special rating;
- j) The additional income that will be generated by means of this special rating.

24.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person

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under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.

24.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e., every receiver of a monthly municipal account, will have 1 vote only.

24.5 In determining the special additional rates, the municipality shall differentiate between different categories as referred to in clause 9.2.

24.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.

24.7 The municipality shall establish separate accounting and other recordkeeping systems, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

25. REGULAR REVIEW PROCESSES

25.1.1 The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives, legislation and to ensure that it accommodates and consider the local economic factors within the jurisdiction of the municipality each year before and during the budget process is finalized.

26. BY-LAW TO GIVE EFFECT TO THE POLICY

26.1 As required by section 6 of the Act, the municipality will adopt a By-law to give effect to the implementation of this policy.