

CITY OF JOHANNESBURG
METROPOLITAN MUNICIPALITY

RATES POLICY

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Interpretation

1.(1) In this Policy any word or expression to which a meaning has been assigned in the Act bears that meaning unless the context otherwise indicates and, unless the context otherwise indicates –

“**consent use**” means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Council:

“**Council**” means –

- (a) the Metropolitan Municipality of the City of Johannesburg established by Provincial Notice No. 6766 of 2000, as amended, exercising its legislative and executive authority through its municipal Council; or
- (b) its successor in title; or
- (c) a structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Systems Act,
- (d) in respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it,
- (e) through a service delivery agreement in terms of section 81(2) of the Systems Act or any other law,

as the case may be;

“financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;

“inner city” means the Johannesburg central business district as determined by Council;

“municipal property” means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;

“ratepayer” means any owner of rateable property as well as any owner of a rateable property held under sectional title, situate within the area of jurisdiction of the Council;

“school” means a school as defined in the South African Schools Act, Act 84 of 1996;

“service provider” means a service provider contemplated in paragraph (d) of the definition of “Council”;

“State” means the National Government and the Gauteng Provincial Government;

“Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

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

“technical and other colleges” means a public college and a private college as contemplated in the Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006);

“town planning scheme” means –

- (a) a town-planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance, (Ordinance No 25 of 1965 and the Town Planning and Townships Ordinance (Ordinance No. 15 of 1986); and
- (b) any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

“university” means any university and technicon as defined in section 1 of the Higher Education Act, 1997 (Act No. 101 of 1997);

“zoning” means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in an applicable town planning scheme and “zoned “ has a corresponding meaning. Where a property carries multiple zoning rights, the categorisation of such property will be in accordance with the highest rating category.

(2) Any word or expression –

- (a) imparting any gender or the neuter includes both genders and the neuter, or
- (b) imparting the singular only also includes the plural and vice versa,

unless the context otherwise indicates.

Legislative background

- 1 (1) In terms of the Constitution of the Republic Of South Africa 1996 the Council may impose rates on property.
 - (2) In terms of section 4(1)(c) of the Systems Act, the Council may inter alia levy rates on property to finance operational expenditure of the Council.
 - (3) In terms of section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), in his capacity as the Council's accounting officer, must ensure that the Council has and implements a rates policy.
- 2 The Council:
 - (1) must in terms of section 3(1) of the Act, adopt a policy consistent with the Act on the levying of rates on rateable property in the municipality.
 - (2) Must in terms of section 6(1) of the Act, adopt by-laws to give effect to the implementation of its Rates policy.
 - (3) must in terms of section 5(1) of the Act, annually review, and may, if necessary, amend this Policy and proposals for reviewing this Policy must be considered by the Council in conjunction with its annual operating budget.
 - (4) may in terms of section 22 of the Act, levy an additional rate on property in a special rating area and in doing so may differentiate between categories of property;

- 3 This policy is drafted in compliance with the provisions of sections 3(1) and 6(1) of the Act and must be read within the context of the Act.

Operational background

- 3.(1) This Policy is designed to ensure equitable treatment by the Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.
- (2) This Policy must be read in conjunction with the provisions of any applicable town planning scheme as well as the Town Planning and Townships Ordinance, 25 of 1965 and the Town Planning and Townships Ordinance, 1986, and any other legislation pertaining to the use of the property.
- (3) The Council is in terms of section 16(1) of the Local Government: Municipal Finance Management Act, 2003, required to approve an annual operating budget prior to the commencement of each financial year and the income from rates must be used to finance in full or in part, the annual operating expenditure of the Council as reflected in such budget.

Objectives of the Policy

4. The key objectives of the Policy are to -
 - (a) ensure that all owners of rateable property are informed about their liability for 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 as contemplated in section 15 of the Act;

- (c) empower the Council to specify a threshold in excess of that contemplated in section 15(1)(a) of the Act at which rating in respect of residential properties may commence, which it is hereby authorised to do;
- (d) set out the criteria to be applied by the Council if it –
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;
- (e) 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 are ratepayers, and may apply to the Council for relief from rates;
- (f) recognise the State, organs of state and the owners of public service infrastructure as property owners;
- (g) encourage the development of property; and
- (h) ensure that all persons liable for rates are treated equitably as required by the Act.
 - (i) provide that any rebate contemplated in section 9 of this Policy is to benefit the owner in occupation of the property.

Date of implementation

5. This policy is to be implemented with effect from 1 July, 2008.

Annual operating budget

- 6.(1) The Council must consider the levying of rates annually during the budget process.

- (2) Rate increases must be used to finance the increase in operating costs of municipal services and facilities.
- (3) In determining the level of increases in the rates the criteria to be applied may include the following:
 - (a) The inflation rate as indicated by the consumer price index excluding mortgage bonds;
 - (b) the financing of increased operating expenditure in the budget of the Council;
 - (c) the financing of additional maintenance expenditure included in the operating budget of the Council;
 - (d) the financing of additional depreciation charges included in the operating budget of the Council;
 - (e) the additional cost of servicing debt included in the operating budget of the Council;
 - (f) the augmentation of any revenue shortfall;
 - (g) 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.
 - (h) take into consideration the medium term budget growth factors as determined by National Treasury.
- (4)(a) In terms of section 8 of the Act differential rates may be levied according to the permitted use or actual use where applicable, of the property concerned.

- (b) The criteria to be taken into account in determining whether a differential rate should be applied are the criteria specified in subitem (3) and –
- (i) the need to promote economic development;
 - (ii) any administrative advantages in applying a differential rate; and
 - (iii) the need to alleviate the rates burden on the owners of any particular category of property specified in item 7.
- (5) Rates are levied in accordance with the Act 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, as contemplated in Chapters 6 and 8, respectively, of the Act.

Categories of property for levying of differential rates

7. For purposes of levying differential rates based on the permitted use of properties in terms of section 8(1)(b), read with 3(3)(b) and 3(3)(c) of the Act, the following categories of property are determined:
- (a) Business , commercial and industrial;
 - (b) residential property;
 - (c) residential sectional title
 - (d) residential property with consent use
 - (e) municipal property : not rateable;
 - (f) municipal property : rateable;
 - (g) property owned by the State or an organ of state;

- (h) farming land used for bona fide farming;
- (i) public service infrastructure;
- (j) property used for multiple purposes;
- (k) agricultural holdings used for agricultural purposes;
- (l) vacant land irrespective of zoning
- (m) mining property;
- (n) education;
- (o) religious;
- (p) special.

Clarification of categories of property

8.(1) The categories of property specified in item 7 are further circumscribed as follows :

(a) Business , commercial and industrial

Property in this category includes -

- (i) property zoned for business, commercial or industrial purposes;
- (ii) property used for game farming and / or eco -tourism ;
- (iii) property used as a race course for any racing in connection with which betting is carried on by means of a totalizator or otherwise; and

- (iv) property zoned general used for business, commercial or industrial purposes unless such property is used for residential purposes in which case the residential tariff will be applied;

(b) business and commercial and industrial – sectional title

It is permissible for a business to operate from a property that is held in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), in which case the sectional title owner is liable for rates.

(c) residential property includes the following :

(i) residential

Property zoned and used for residential purposes but excluding any business or commercial zoned property with a residential component or residential with consent use.

(ii) residential sectional title

Property zoned residential and used solely for residential purposes held in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986) is, from the implementation of the Act, individually subject to the levying of rates;

(iii) residential – consent use

A consent use is an extended right to use land or to erect and use a building on the land granted in terms of an applicable town planning scheme.

- (i) This category includes any property zoned for residential purposes in respect of which a consent use has been granted for any business, commercial

or industrial purpose, and must be rated as residential with consent use.

- (ii) If a consent use is granted, the category of the property concerned will be updated in the valuation roll or supplementary valuation roll, as the case may be, to reflect residential with consent use.
- (iii) If a consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of property may apply to the Council for the re-instatement of the residential rate, which rate must be re-instated as from the date that the Council confirms that the property is only being used for residential purposes in terms of the zoning thereof;
- (iv) Where a residential property with a market value less than that specified in the threshold is partially used for non-residential purposes, the said property will remain in the category of residential.
- (v) Consent use granted on any property other than residential will result in that property being rated at the tariff applicable to the business, commercial and industrial category.

(d) municipal property: not rateable

The following types of property owned by or vested in the Council are not rateable :

- (i) Public service infrastructure owned by the Council or a service provider, including Public service infrastructure

vested in the Council by virtue of the provisions of Section 63 of the Local Government Ordinance, (Ordinance 17 of 1939) as amended;

- (ii) refuse tip sites;
- (iii) municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria;
- (iv) property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space;
- (v) property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the Formalities in respect of Leases of Land Act, 1969 (Act No. 18 of 1969), in which case the area subject to the lease is separately rated;
- (vi) municipal housing schemes;

(e) municipal property : rateable

The following types of property owned by or vested in the Council are subject to rating:

- (i) Property leased to third parties in terms of a lease registered in terms of the Formalities in respect of Leases of Land Act, 1969; and
- (ii) municipal property used for purposes other than those specified in subitem) (d);

(f) properties owned by the State or an organ of state

- (i) Property owned by the State or an organ of state is rateable; and
- (ii) if property owned by the State or an organ of state is zoned for the provision of residential accommodation, the rates must, after presentation of a certificate of occupancy, be levied in terms of the residential tariff.

(g) farming property

Property used for bona fide agricultural purposes with the property owner deriving his principal source of income from the produce of the land; and

(h) public service infrastructure

Property falling within this category is not rated;

(i) property used for multiple purposes

such property is rated according to the highest tariff applicable to the permitted use thereof. Any use that is incidental to the main authorised use of a property is considered not to constitute use for multiple purposes eg, a caretaker provided with accommodation at an office suite or a security kiosk on the property;

(j) agricultural holdings

Agricultural holdings are rated according to the actual use thereof.

(k) vacant land

- (i) Vacant land includes land without a zoning, deproclaimed mining land, and any undeveloped land/ erf within a proclaimed township or a land development area contemplated in the Development Facilitation Act, 1995 (Act No. 67 of 1995), not transferred by a developer or an applicant under that Act, is considered to be vacant land and may not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as a certificate of occupancy is issued by the Council. Vacant land excludes land referred to in sections 7(g) and (j);
- (ii) The tariff applicable to vacant land will take precedence over the tariff applicable to the property category where such land is vacant.
- (iii) Land zoned as Special with no determined use will be rated at the tariff applicable to the business, commercial and industrial category.

(l) mining property

Property used for mining purposes or purposes incidental to mining operations must be rated as if zoned business or commercial or industrial.

(m) education

Property owned by educational institutions that are registered with S A Revenue Services in terms of Section 30 of the Income Tax Act 58 of 1962 that provide education and development services as contemplated in Item 4 of the ninth schedule to that Act.

(n) religious

Property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office – bearer of that community who officiates at services at that place of worship.

(o) special

Land zoned as Special with a determined use in terms of an applicable Town Planning Scheme will be rated at the tariff applicable to the determined use thereof.

(2) Provided that property which is used in conflict to its zoning will be rated at the tariff applicable to business commercial and industrial.

(3) Any property not falling within the ambit of subitem (1), is deemed to be business and commercial for the purposes of levying a rate.

Categories of ownership for purposes of exemptions, reductions and rebates: differential rating.

9. Subject to Section 10 below, the following categories of ownership are determined for purposes of exemptions, reductions and rebates:

- (a) Natural persons who own and occupy residential property who have limited income and who are not pensioners but can show that his or her annual income falls below the limit determined by Council from time to time;
- (b) natural persons who own and occupy residential property who are dependent on a State social security grant in terms of the Social Assistance Act, 1992 (Act No. 59 of 1992) as their sole source of income;

- (c) pensioners who own and occupy residential property who are not persons contemplated in paragraph (b), if the total income of the household does not exceed the limits determined by Council from time to time;
- (d) organisations which in the opinion of and to the satisfaction of the Council, care for the aged, and own property that is used for such purpose;
- (e) institutions which own property and provide education and / or student accommodation at –
 - (i) public schools;
 - (ii) independent schools;
 - (iii) universities; and
 - (iv) technical and other colleges;
- (f) public benefit organisations approved in terms of section 30 of the Income Tax Act, 1962, read with Items 1, 2 and 4 of the Ninth Schedule to that Act, which own property; these are welfare and humanitarian, health care and education and development;
- (g) private sports clubs which own property used primarily for sports purposes;
- (h) owners of property in the inner city which was re-zoned for residential purposes subsequent to 1 July 2001;
- (i) owners of heritage sites declared as such in terms of Section 27 of the National Heritage Resources Act, 1999 (Act No. 25 of 1999);
- (j) the State or an organ of state owning property; and

- (k) owners of property used for bona fide farming purposes.
- (l) owners of residential property with a market value lower than the threshold above which rates may be levied as contemplated in section 15(1)(a) of the Act or a threshold determination by the Council as contemplated in item 4(c) of this policy;
- (m) owners of residential Sectional Title
- (n) property owned by the municipality where the rules set out herein will be applied;
- (o) property registered in the name of an institution or organisation which has as its exclusive objective the protection of animals;
- (p) property registered in the name of an institution or organisation which has as its exclusive objective the provision and, or promotion of youth development programmes.

10 Rebates for categories of ownership for differential rating are further circumscribed in the proviso below as follows:

- (a) Owners specified in item 9(a), (b) and (c) must own and occupy the property concerned;
- (b) in respect of owners specified in item 9(b), the maximum monthly income of the household may not exceed four times the value of the prevailing State social grant plus R1;
- (c) rebates to pensioner property owners specified in item 9(c), are restricted to persons who have reached the age of 60 years;
- (d) the maximum value of the property may in respect of paragraphs (a), (b) and (c), not exceed a limit determined by the Council at the inception of a valuation roll, which limit remains applicable for the duration of that roll;

- (e) any owner contemplated in paragraph (a), (b) or (c) must apply for the Council's approval of a rebate on a form prescribed by the Council accompanied by a copy of the applicant's social security card or of his or her most recent income tax assessment issued by the South African Revenue Services or other proof of income acceptable to the Council; and
 - (f) a rebate is granted for a maximum period of two years provided that the status of the beneficiary does not change within this period, after which it is necessary to re-apply in terms of paragraph (e). A beneficiary in receipt of a rebate as contemplated in sections 9(a), (b) or (c) is required to notify the Council in writing in the event of a change in financial status that may affect the granting of the rebate.
- (2) No retrospective rebates will be granted and rebates contemplated in item 10(3) below are dependent upon successful application to the Council by 1 September 2008 and thereafter prior to validity period of any existing rebate lapsing.
- (3) The maximum extent of the rebate contemplated item 10 is as follows :
- (a) persons specified in item 9(a) :
 - a maximum of 75 per cent of the current monthly rates;
 - (b) persons in receipt of a State social security grant specified in item 9(b) :
 - a maximum of 100 per cent of the current monthly rates; and
 - (c) pensioners specified in item 9(c) :
 - (i) a maximum of 100 per cent of the current monthly rates where the monthly income of the household does not exceed

the lower level threshold to be determined by Council from time to time;

(ii) a maximum of 50 per cent of the current monthly rates where the monthly income of the household exceeds the lower level threshold but does not exceed the upper level threshold to be determined by Council from time to time;

(4) Criteria for rebates for categories of ownership specified in items 9(d) to 9(l), inclusive, are as follows:

(a) Organisations caring for the aged specified in item 9(d) :

(i) The State or an organ of state owning properties, other than housing development schemes as contemplated in the Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988), and any similar scheme for housing the aged irrespective of its date of establishment:

A maximum of 100 per cent of the current monthly rates;
and

(ii) public benefit organisations owning property other than housing development schemes as contemplated in the Housing Development Schemes of Retired Persons Act, 1988, and any other similar scheme for housing the aged irrespective of the date of its establishment :

A maximum of 100 per cent of the current monthly rates subject to an application to the Council for approval of a rebate on a form prescribed by the Council being submitted to Council before 1 September of each year;

(b) owners of school property specified in item 9(e)(i) and (ii) :

(i) Public primary and secondary schools which are State funded :

A maximum of 50 per cent of the current monthly rates;

(ii) independent primary and secondary 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 :

A maximum of 50 per cent of the current monthly rates;

(c) owners of universities specified in item 9(e)(iii) :

A maximum of 20 per cent of the current monthly rates;

(d) owners of technical and other colleges specified in item 9(e)(iv) :

A maximum of 20 per cent of the current monthly rates;

(e) public benefit organisations specified in item 9(f) including such organisations owning a housing development scheme contemplated in subitem (4) (a)(ii) :

A maximum of 100 per cent of the current monthly rates.

Such organisations must annually, before 1 September make application to the Council for approval of a rebate on a form prescribed by the Council accompanied by a copy of their annual report and financial statements audited by an independent person or organisation that is not the treasurer nor connected to the treasurer of the public benefit organisation seeking relief from property rating;

- (f) owners of private sports clubs specified in item 9(g) :

A maximum of 40 per cent of the current monthly rates. Such organisations must annually, before 1 September make application to the Council for approval of a rebate on a form prescribed by the Council accompanied by a copy of their annual report and audited financial statements. Such Clubs will have to demonstrate to the Council in writing whether:

- (i) the Club is unable to pay the property rates

and

- (ii) the membership of the Club is open to previously disadvantaged persons

and

- (iii) the land owned by the Club, other than that used for restaurant and bar facilities for club members is utilised primarily for sporting activities

and/or

- (iv) the Club is actively involved in sports development programmes for previously disadvantaged communities.

- (g) owners of property in the inner city as specified in item 9(h) :

A maximum of 40 per cent of the current monthly assessment rates in respect of property used for the purpose of accommodating three or more dwelling units, subject to no less than 80 per cent of the floor space on the property being used for residential accommodation;

- (h) owners of heritage sites as specified in item 9(i) :

Subject to any limitations that may be placed on financial incentives for the conservation of heritage resources in terms of section 43 of the National Heritage Resources Act, 1999 (Act No. 25 of 1999):

A maximum rebate of 20 per cent of the current monthly rates, subject to an application being made to the Council for approval of a rebate on a form prescribed by the Council being submitted annually before 1 September;

- (i) the State or an organ of state owning properties as specified in item 9(j) :

A maximum of 20 per cent of the current monthly rates: Provided that if State owned property or property owned by an organ of State is used for the provision of residential accommodation, the property, to the exclusion of the 20 per cent rebate referred to above, must be rated as residential property specified in item 7(b);

- (j) owners of farming property specified in item 9(k) :

(i) Owners must meet the following conditions in order to qualify as bona fide farmers :

- (aa) The property must be zoned for agriculture/farming and be used predominantly for bona fide farming purposes;
 - (bb) the owner must be taxed by the South African Revenue Services as a farmer;
 - (cc) application for a rebate must be made before 1 September every year on a form prescribed by the Council accompanied by an affidavit that all information contained in the application is true and correct;
- (ii) If the permitted use of a property in this category changes during a financial year, any rebate is forfeited from the date of approval by the Council of such change.
 - (iii) The Council must, subject to the provisions of section 3(4) of the Act, in considering any application in terms of subparagraph (i)(cc), take cognisance of whether or not –
 - (aa) there are any municipal roads adjacent to the property;
 - (bb) there is any municipal sewerage available to the property;
 - (cc) there is any municipal electricity supply available to the property;
 - (dd) there is any municipal water supply available to the property;
 - (ee) there is any municipal refuse removal service provided to the property;

- (ff) the owner is providing permanent residential accommodation on the farm for the farm workers in his or her employ;
- (gg) such residential accommodation is provided with potable water;
- (hh) an electricity supply is provided to such residential accommodation; and
- (ii) the applicant is making part of the property concerned available for a cemetery, or for buildings to be used for the educational and recreational purposes of the farm workers in his or her employ or their children :

A maximum of 55 percent of the current monthly rates.

- (k) Owners of Residential Sectional Title

A maximum of 20 percent of the current monthly rates.

- (l) property registered in the name of an institution or organisation which has as its exclusive objective the protection of animals;

A maximum of 100 percent of the current monthly rates.

- (m) property registered in the name of an institution or organisation which has as its exclusive objective the provision and, or promotion of youth development programmes.

A maximum of 100 percent of the current monthly rates.

- 10(5) Prioritisation and calculation of rebates

- (a) Where a heritage site rebate is applicable to any particular category of ownership, such heritage site rebate will take precedence over the remaining rebates.
- (b) A remaining rebate will be calculated on the balance of rates payable after deduction of the heritage site rebate.
- (c) A Sectional Title rebate will rank second in order of precedence after the heritage site rebate has been applied.

The granting of rebates cannot allow any rate payer a total rebate in excess of 100%

Certificate of occupancy

- 11.(1) Prior to a residential property being eligible for a residential rate or a rebate, the property concerned must have been inspected by the Council and a certificate of occupancy must have been issued in respect thereof by the Council department concerned in terms of section 14 of the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) : Provided that owners of residential property who are in receipt of the residential rebate at 30 June 2008, do not have to submit a certificate of occupancy.
- (2) The onus of obtaining a certificate of occupancy rests with the owner of a property contemplated in (1) and is only obtainable from the Council department concerned.

Special Rating Areas

- 12** The Council may, on receipt of an application., create a special rating area or areas in terms of Section 22 of the Act.

Costs and benefits relating to rebates and phasing in

13. Due to the fact that the cost to the Council of having granted measures contemplated in section 3(3)(e) of the Act, will vary annually and cannot be quantified in advance, provision for these costs and benefits to the local community must be made in the annual operating estimates of the Council.

Illegal use of a property

- 14.(1) If a court order is issued against the owner of a residential property specified in items 7(b) and 7(c), resultant upon the illegal use thereof, any tariff lower in value than the tariff applicable to business, commercial and industrial in respect of the property concerned lapses with effect from the date of that order.

(2)(a) The owner of property contemplated in sub item (1) may, on a form prescribed by the Council, make application for the tariff lower in value than the tariff applicable to business, commercial and industrial to be reinstated.

(b) Such application must be accompanied by an affidavit by the owner confirming that the terms of the relevant court order have been complied with or that the property is being used in accordance with the rights accorded to that property in terms of the applicable town planning scheme.

(c) The tariff lower in value than the tariff applicable to business, commercial and industrial must on approval of an application in terms of paragraph (b), be reinstated as from the date of such approval.

Phasing in of an increase in rates

15 The assessment rates on newly rateable property, as defined in the Act, will be phased in as determined in section 21 of the Act.

Liability for rates

- 16.(1) Rates is a tax in terms of section 11 of the Prescription Act, 1969 (Act No. 68 of 1969), and the Council may recover rates in arrear for a period of up to 30 years;
- (2) Because rates constitute taxation, there is no *quid pro quo* between the ratepayer and the benefit received from the Council.
- (3)(a) Rates which are recovered by the Council on a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer.
 - (b) Rates are payable in full and interest will be charged on rates that are in arrears.
- (4) A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the onus is on him or her, to establish the amount due for the rates and to pay that amount to the Council.
- (5) In the case of joint ownership of property, all the property owners are jointly and severally liable for the payment of rates and any interest charges thereon.
- (6) In respect of property that has been let by a ratepayer, the Council may recover unpaid assessment rates from the tenant to the extent of any unpaid rental due to the ratepayer.
- (7) The Council may recover unpaid rates from the agent of the ratepayer but only to the extent of the rental in respect of the

property concerned received by the agent, less any commission due to the agent by the ratepayer.

- (8) If a ratepayer wishes to dispose of a property, he or she must comply with the provisions of section 118 of the Systems Act which requires an advance payment of an amount to cover, *inter alia*, the rates due before a rates clearance certificate is issued, such payment to be calculated to cover a lead time of at least 150 days.

Dealing with applications in terms of the Policy

- 17 The Council must consider every application in terms of this Policy within a reasonable time, and may approve the application or refuse it.

Inspection of and objection to an entry in the Valuation Roll

- 18(1) Once the Council has given notice that the valuation roll is open for public inspection, any person may within the inspection period, inspect the roll and may lodge an objection with the municipal manager against any matter reflected in the roll or omitted from the roll.
- (2) Objections must be in relation to a specific property.
- (3) The lodging of an objection does not defer liability for the payment of rates.

Conclusion

- 19(1) Rates constitute the principle source of revenue for the funding of those municipal services where the benefit is shared by the local community and does not accrue to any individual person or ratepayer.

- (2) The preservation of rating as the local tax base is a precondition for the autonomy of local government and it is for this reason that it is incumbent upon all ratepayers to honour their obligations to their municipal Council.

END
