

RATES POLICY

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1. **LEGISLATIVE CONTENT**

- 1.1. This policy is mandated by Section 3 of the Municipal Property Rates Act, 2004 (No.6 of 2004), 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 Municipal Property Rates Act, 2004 (No.6 of 2004) 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 the Property Rates Act; and
 - iii. The rates policy
- 1.4. In terms of Section 4 (1) (c) of the 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 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**

- 2.1. **Act** means the Municipal Property Rates Act, 2004 (No.6 of 2004).
- 2.2. **Municipality** means the municipality council for the municipal area of Rustenburg
- 2.3. **All other terms** are used within the context of the definitions contained in the Municipal Property Rates Act, 2004 (No.6 of 2004).

3. **POLICY RRINCIPLES**

- 3.1. Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the Municipality's valuation roll and supplementary valuation roll.
- 3.2. As allowed for in the Act, the Municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

3.3. Phasing in of rates will be based on the new valuation roll, and in terms of Section 21 of the Act.

3.4. The rates policy for the Municipality is based on the following principles:

3.4.1. Equity

The Municipality will treat all rate payers with similar properties the same.

3.4.2. Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exceptions, reductions or rebates.

3.4.3. Sustainability

Rating of property will be implemented in a way that:

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

3.4.4. Cost efficiency

Rates will be based on the value of all rateable properties and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage removal) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

4. **SCOPE OF THE POLICY**

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates will be published in the Provincial Gazette and the Municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. **APPLICATION OF THE POLICY**

In imposing the rate in the rand for each annual operating budget component, the Municipality shall grant exemptions, rebates and reductions to the categories of properties and owners as allowed for in this policy.

6. **CATEGORIES OF PROPERTY**

6.1. Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the-

- a) use of the property;
 - b) permitted use of the property
- or

- c) geographical area in which the property is situated

6.2. Categories of property for Municipality include-

- a) residential properties;
- b) business and commercial properties;
- c) industrial properties;
- d) mining properties;
- e) public service infrastructure;
- f) public benefit organisations;
- g) agricultural properties used for agricultural purposes;
- h) agricultural properties used for eco-tourism or conservation;
- i) agricultural properties used for the trading in or hunting of game;
- j) state-owned properties;
 - state properties that provide local services,
 - state properties that provide regional/municipal district-wide service,
 - state properties that provide provincial/national service.
- k) municipal owned properties;
- l) protected areas;
- m) multiple use properties;
- n) vacant land.

7. **CATEGORIES OF OWNERS**

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- a) indigent status of the owner of a residential property
- b) owner of a residential property with a source of income within a determined threshold.
- c) owners of property situated within an area affected by-
 - i a disaster within the meaning of the Disaster Management Act, 2002 Act no.57 of 2002); or
 - ii any other serious adverse social or economic conditions;
- d) owners of residential properties with a market value below a determined threshold; or
- e) owners of agricultural properties who are bona fide farmers.

8. **PROPERTIES USED FOR MULTIPLE PURPOSES**

Rates on properties used for multiple purposes will be levied on properties used for:-

- a) by apportioning the market value of a property to the different purposes for which the property is used; and
- b) applying the relevant cent amount in the rand to the corresponding apportioned market value.

9. **DIFFERENTIAL RATING**

9.1. Criteria for differential rating on different categories of properties will be according to-

- a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- b) The promotion of social and economic development of the Municipality.

9.2. Differential rating among the various property categories will be done by way of setting different rate for each property category

and/or

9.3.1 by way of reductions and rebates.

10. **EXEMPTIONS**

10.1. The following categories of property are exempted from rates:

10.1.1. Municipal properties

Municipality will exempt to following Municipal properties from paying rates:.

- a) rateable properties registered in the name of the Municipality and is let to the employees of the Municipality for residential purposes,
- b) rateable property registered in the name of another Municipality if such property is used in connection with the supply of electricity, water, gas or sewerage services, or
- c) rateable property registered in the name of the Municipality and which is let by the Municipality for not more than a nominal rent as determined by the Municipality.

Except

- d) if any property belonging to a Municipality is disposed off to any person, he shall be considered to be the owner liable for the payment of rates from the date he takes possession.

10.1.2. Cemeteries and crematoria

Registered in the names of private persons and operated not for gain.

10.1.3. Public Benefit Organisations

The following Public Benefit Organisations may apply for the exemption of property rates subject to submission of a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No.58 of 1962).

- i Health care institutions
Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.
- ii Welfare institutions
Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.
- iii Educational institutions
Property belonging to educational institutions declared or registered by law.
- iv Independent schools
Property used by registered independent schools for educational purposes only.
- v Charitable institutions
Property belonging to not-for-gain institutions or organisations that perform charitable work.
- vi Sporting bodies
Property used by an organisation whose main purpose is to use the property for sporting purposes on a non-professional and non-profitable basis.
- vii Cultural institutions
Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- viii Museums, libraries, art galleries and botanical gardens
Registered in the name of private persons, open to the public and not operated for gain.
- ix Youth development organisations
Property owned and/or used by organisations for the provision of youth leadership or development programmes.
- x Animal welfare
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

10.2. Exemptions will be subject to the following conditions:

- 10.2.1. all applications must be addressed in writing to the Municipality in the prescribed manner or application form;
- 10.2.2. a SARS tax exemption certificate must be attached to all applications;
- 10.2.3. the Municipal Manager or his/her nominee must approve all applications;
- 10.2.4. applications must reach the Municipality before the end of October preceding the start of the new Municipal financial year for which relief is sought; and
- 10.2.5. the Municipality reserves the right to refuse exceptions if the details supplied in the application form are incomplete, incorrect or false.

11. **REDUCTIONS**

11.1. A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act will be granted where the value of a property is affected by-

- 11.1.1. a disaster within the meaning of the Disaster Management Act, 2002 (Act no.57 of 2002); or
- 11.1.2. any other serious adverse social or economic conditions.

11.2. The reduction will be in relation to the certificate issued for this purpose by the Municipal valuer.

11.3. All categories of owners can apply for a reduction in the valuation of the property as described above.

11.4. Criteria for granting reductions

11.4.1. A reduction in the Municipal valuation as contemplated in section 15(1)(b) of the Act may be granted where the value of a property is affected by fire damage demolition or floods.

11.4.2. The reduction will be in relation to the certificate issued for this purpose by the Municipal valuer.

12. **REBATES**

12.1. Categories of property

12.1.1. Business, commercial and industrial properties

12.1.1.1. The Municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:

- a. job creation in the Municipal area;
- b. social upliftment of the local community; and
- c. creation of infrastructure for the benefit of the community.

- 12.1.1.2. Rebates will be granted on application subject to:
- a. a business plan submitted in respect of the company indicating the local, social and economic development objectives of the Municipality are going to be met;
 - b. an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
 - c. an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and
 - d. approval of the application by a Municipal Council resolution.

12.1.2. State properties

Receive a rebate as determined in schedule A.

12.1.3. Agricultural property rebate

12.1.3.1. Agricultural properties may be granted a rebate subject to the owner providing the Municipality with required information in an affidavit received not later than 30 September each year.

12.1.3.2. Qualifying requirements are that the owner should provide proof that he is registered as a bona fide farmer with SARS,
or

12.1.3.3. where the owner is not taxed as a farmer, proof is required that income from farming activities exceeds 40% of the household income.

12.1.3.4 Rebates may be granted on the following as outline in Schedule A:

a. The extent of Municipal services provided to agricultural properties

- i. if there are no Municipal roads next to the property
- ii. if there is no Municipal sewerage to the property
- iii. if there is no Municipal electricity to the property
- iv. if water is not supplied by the Municipality
- v. if there is no refuse removal that is provided by the Municipality.

b. The contribution of agriculture to the local economy

A rebate may be granted to agricultural property that contributes substantially to job creation, and the salaries/wages of farm workers are reasonable, e.g. if they meet minimum standards set by government or if they are in line with the sector's average.

- c. Rebates will be granted as determined in Schedule A after submission of proof by the owner to the extent to which agriculture assists in meeting service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers:
 - i. if the owner is providing permanent residential property to the farm workers and such property is registered in the name of these farm workers.
 - ii. if such residential properties are provided with potable water.
 - iii. if the farmer has electrified such residential properties.
 - iv. if the farmer is availing his land/buildings to be used for cemetery, education and recreational purposes of the farm workers' children and nearby community in general, etc.

13.1.1. Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.

13.1.2. Historical or heritage properties

No rebates are granted other than residential rebates if appropriate.

13.1.3. Public Service Infrastructure

A rebate of 30% as mandated by the Act will be granted to Public Service for Infrastructure as they provide essential services to the community.

13.2. Categories of owners

13.2.1. Retired and Disabled Persons Rate Rebate

- 13.2.1.1. Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:
 - a. occupy the property as his/her normal residence;
 - b. is at least 60 years of age or in receipt of a disability pension from the Department of Social Welfare or other approved pension funds;
 - c. is in receipt of a total monthly income from all sources (including income of spouses of owner) as per Schedule A
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- 13.2.1.2. Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.
- 13.2.1.3. Applications must be accompanied by-

- a. a certified copy of the bar coded identify document, passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the Municipality;
- b. sufficient proof of income of the owner and his/her spouse;
- c. an affidavit from the owner;
- d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- e. if the owner has retired at an earlier age for medical reasons proof thereof must be submitted.
- f. be in receipt of a total monthly income from all sources (including income of spouses of owner) as determined in Schedule A:

13.2.1.4. These applications must reach the Municipality before the end of September preceding the start of the new Municipal financial year for which relief is sought.

13.2.1.5. The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

13.3. Properties with a market value below a prescribed valuation level

These properties instead of a rate determined on the market value may be levied a uniform fixed amount per property.

14. **COMPULSORY PHASING IN OF RATES**

14.1. Newly Rateable Properties

14.1.1. Rates levy on newly rateable property will be phased in over a period of three financial years.

14.1.2. The phasing-in discount will be determined as follow:

- (a) In the first year, 75% discount on the rates for the year applicable on the property,
- (b) in the second year, 50% discount on the rates for the year applicable on the property,
- (c) in third year, 25% discount on the rates for the year applicable on the property,

14.2. Newly Rateable property owned and used by Public Benefit Organisations

14.2.1. Rates 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 will be phased in over a period of four financial years,

14.2.2 The phasing-in discount will be determined as follow:

- (a) In the first year no rates will be levied on the property concerned,
- (b) In the second year, 75% discount on the rates for the year applicable on the property,
- (c) in the third year, 50% discount on the rates for the year applicable on the property,
- (d) in the fourth year, 25% discount on the rates for the year applicable on the property,

14.3. Rates on Property belonging to a land reform beneficiary or his/her heirs

14.3.1. The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds,

14.3.2. After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years,

14.3.3. The phasing-in discount will be determined as follows:-

- (a) In the first year, 75% discount on the rates for the year applicable on the property,
- (b) in the second year, 50% discount on the rates for the year applicable on the property,
- (c) in the third year, 25% discount on the rates for the year applicable on the property,

15. **COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY.**

15.1. The Municipal manager shall ensure that the revenue foregone in respect of the foregoing rebates, exemptions and reductions, are appropriately disclosed in each annual operating budget and in the annual financial statements and annual report and that such rebate, are clearly indicated on the rates account submitted to each property owner.

15.2. The municipal manager must annually table in Council:-

- a) a list of all exemptions, reductions and rebates granted by the municipality during the previous financial year
- b) a statement reflecting the income which the municipality has foregone during the previous financial year by way of such exemptions, reductions and rebates and the phasing in discount granted in terms of section 21.

16. **RATES INCREASES**

16.1. The Municipality may consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.

16.2. Rate increases will be used to finance the increase in operating costs of community and subsidised services.

16.3. Affordability of rates to ratepayers.

16.4. All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation.

17. **NOTIFICATION OF RATES**

17.1. The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.

- 17.2. A notice stating the extent of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places provided for that purpose.

18. PAYMENT OF RATES

- 18.1. Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the seventh day of the month following the month in which it becomes payable.

- 18.2. If the owner of property that is rateable, notifies the Municipal Manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the Municipal Manager or his/her nominee that he/she wishes to pay all rates in respect of such property in instalments, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in twelve instalments until such notice is withdrawn by him/her in a similar manner.

- 18.3. Interest on arrears of rates whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the interest rate as determined by the Minister for Provincial and Local Government. Interest will be calculated on arrears.

- 18.4. 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.

- 18.5. Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 28 of the Act.

18.5.1 In an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation between the tenant and the owner. The Municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier

18.5.2 The amount that the municipality will recover from the tenant or occupier will be limited to the amount of the rent or other money due and payable, but not yet paid by the tenant or occupier to the owner of the property. The tenant or occupier must set off any amount recovered from them by the municipality against any money owed to the owner.

18.5.3 The tenant or occupier of a property will on request of the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period as may be determined by the municipality.

18.5.4 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The Municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.

- 18.5.5 The amount that the municipality will recover from the agent will be limited to the amount of the rent or other money received by the agent on behalf of the owner less any commission due to the agent.
- 18.5.6 The agent will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.
- 18.5.7 A rate levied by the Municipality on a property must be paid by the owner of the property. Joint owners of a property are jointly and severally liable for the amount due for rates on that property.
- 18.6. 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.
- 18.7. In addition, where the error occurred because of false information provided by the property owner or as a result 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.

19. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEME

The rate levied on a sectional unit is payable by the owner of the unit. The Municipality may not recover the rate on such sectional title unit, or any part of such rate, from the body corporate controlling the sectional title scheme, except when the body corporate itself is the owner of any specific sectional title unit.

20. ACCOUNTS TO BE FURNISHED

The Municipality must furnish each person liable for the payment of a rate with a written account specifying:

- i) The amount due for rates payable;
- ii) The date on or before which the amount is payable;
- ii) How the amount was calculated;
- iii) The market value of the property;
- iv) Phasing in discount if applicable.

The person liable for payment of the rates remains liable for such payment whether or not 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 from the Municipality.

21. REGULAR REVIEW PROCESSES

The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the IDP and with legislation.

22. CORRECTION OF ERRORS AND OMISSIONS

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 approximately 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.

23. FREQUENCY OF VALUATIONS

The Municipality shall prepare a new valuation roll every 4 (four) years and supplementary valuation every six (6) months.

24. GENERAL VALUATION AND PREPARATION OF VALUATION ROLL

The Municipality must cause a general valuation to be made of all properties in the Municipality's jurisdiction and must prepare a valuation roll of all properties in terms of such valuation.

All rateable properties in the Municipal area of Rustenburg must be valued during such general valuation, including properties fully or partially excluded from rates in terms of section 17 of the Property Rates Act.

The general valuation must reflect the market value of properties in accordance with the market conditions that apply as at the date of the valuation, and in accordance with any other applicable provisions of the Property Rates Act.

A valuation roll takes effect from the start of the financial year. Following completion of the public inspection period required by the Act and remains valid for that financial year and subsequent years but not exceeding four financial years.

The market value of a property is 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.

When valuing a property which is subject to a sectional title scheme, the valuer must determine the market value of each sectional unit in the scheme.

The Municipality must regularly, at least once a year update its valuation roll by causing a supplementary valuation roll to be prepared.

25. COMMUNITY PARTICIPATION

Before the Municipality adopts its rates policy, the Municipality must follow the process of Community participation envisaged in chapter 4 of the Municipal Systems Act, and comply with the following requirements:

The Municipal Manager must:

- 25.1 Conspicuously display the draft rates policy for a period of at least 30 days at the Municipality's head and satellite offices and libraries and website if any;
- 25.2 Advertise in the media a notice stating that a draft rates policy has been prepared for submission to the Council, and that such policy is available at various Municipal offices for public inspection and is also available on the website if any, and inviting local community to submit comments and representatives to the Municipality within a period specified in the notice, but which period shall not be less than 30 days.

Council must take all comments and representations made to it into account when considering the draft rates policy.

26. LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

A rate on a property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme, and not on the property as a whole.

27. REGISTER OF PROPERTIES

The Municipality must draw up and maintain a register in respect of all properties situated within the Municipality jurisdiction, dividing such register into part A and part B.

Part A of the register consists of the current valuation roll of the Municipality including any supplementary valuation rolls prepared from time to time.

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

- i) An exemption from rates in terms of section 15 of the Property Rates Act;
- ii) A rebate on or a reduction in the rate in terms of section 15;
- iii) A phasing in of the rate in terms of section 21;
- iv) An exclusion referred to in section 17.

The register must be open for inspection by public during office hours. Council must at regular intervals annually update part B of the register.

28. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of its rates policy and such by-laws may be differentiated between different categories of properties, and different categories of owners of properties liable for the payment of rates.

29. **SHORT TITLE**

This policy is the Property Rates Policy of the Rustenburg Local Municipality.

30. **ENFORCEMENT/IMPLEMENTATION**

This policy has been approved by the Municipality in terms of resolution no..... dated.....and comes into effect from 1 July 2008.

31. **LEGAL REQUIREMENTS**

The legal requirements of the Act are attached as Annexure A to this policy document.

SCHEDULE 1

SCHEDULE OF REBATES

Category/Description	Proposed rebate	Council's adopted rebate
State Properties	20%	
<u>Rebates on Agricultural Land</u>		
No Municipal roads next to property	7.5%	
No Municipal sewerage to the property	7.5%	
No Municipal electricity to the property	7.5%	
No water supply to the property by the Municipality	15%	
No refuse removal provided by the Municipality	7.5%	
Contribution to job creation	5%	
<u>Contribution to social and economic welfare of farm workers:</u>		
Permanent residential property provided to the farm workers	5%	
Residential property provide with potable water	5%	
Residential property provide with potable water	5%	
Residential property provide with electricity	5%	
Availing land/buildings for education and recreational purposes for farm workers	5%	
<u>Retired and disabled person on residential properties only</u>		
Owner with income less than R2 500 per month	40%	
Owner with income between R2 501 and R3 500	30%	
Owner with income between R3 501 and R5 000	20%	

In terms of section 17 of the Act, Municipality may not levy a rate

- c) on the first 30% of the market price of a public infrastructure
- d) on the first 15 000 of the Markey value of a property assigned in the valuation roll or supplementary valuation roll of the municipality for:
 - i) all residential properties
 - ii) all properties used for multiple purpose, provided one or more components of the property are used for residential purpose

RUSTENBURG LOCAL MUNICIPALITY

RATES POLICY

**FORMULATED IN TERMS OF SECION 3
OF THE MUNICIPAL PROPERTY
RATES ACT, NO.6 OF 2004**