

DANNHAUSER MUNICIPALITY



DRAFT RATES POLICY FOR 2023/24 FY

INDEX

	Page No.
1. Definitions	3
2. Implementation of this Policy and Effective Date	10
3. Fundamental Principles of this Policy	11
4. The Purpose of this Policy	11
5. Equitable Treatment of Ratepayers	12
6. Discretionary Decisions Adopted by the Municipality with Respect to Levying of Rates	12
7. Categories of Rateable Property	13
8. Criteria for Differential Rating	13
9. Relief Measures for Ratepayers	13
10. Exemptions, Reductions and Rebates from Rates	14
11. Multiple Purpose Properties	15
12. Community Participation	16
13. Recovery of Rates	17
14. Consolidation and Apportionment of Payments	18
15. Rates Rebates and Exemptions to be applied	18
16. Deferment of Rates	24
17. Impermissible Rates in Terms of Section 17 of the Act	25
18. Newly Rated Property	26

1. DEFINITIONS

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property Rates Act 6 of 2004 (“the Act”) and for this purpose definitions used in the Act, are listed hereunder.

In this Policy, unless the context indicates otherwise—

“agent”, in relation to the owner of a property, means a person appointed by the owner of the property—

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

“agricultural purpose”, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

“annually” means once every financial year;

“assistant municipal valuer” means a person designated as an assistant municipal valuer in terms of section 35 (1) or (2) of the act;

“category”—

- (a) in relation to property, means a category of properties determined in terms of section 8; and
- (b) in relation to owners of properties, means a category of owners determined in terms of section 15 (2) of the act;

“effective date”—

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32 (1) of the act; or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78 (2) (b) of the act;

“exclusion”, in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17 of the act;

“exemption”, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15 of the act;

“financial year” means the period starting from 1 July in a year to 30 June the next year;

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“land reform beneficiary”, in relation to a property, means a person who—

(a) acquired the property through—

- (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
- (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

(b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

(c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25 (6) and (7) of the Constitution be enacted after this Act has taken effect;

“local community”, in relation to a municipality—

(a) means that body of persons comprising—

- (i) the residents of the municipality;
- (ii) the ratepayers of the municipality;
- (iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and
- (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

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

“municipal council” or “council” means a municipal council referred to in section 18 of the Municipal Structures Act;

“Municipal Finance Management Act” means the Local Government:

Municipal Finance Management Act, 2003 (Act No. 56 of 2003); **“municipality”**— means Dannhauser Municipality.

“municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

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

“occupier”, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

“owner”—

(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 liquidation;
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (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 a 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;

“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
- (b) any legislation applicable to any specific property or properties; or
- (c) any alleviation of any such restrictions;

“person” includes an organ of state;

“prescribe” means prescribe by regulation in terms of section 83 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;

“property register” means a register of properties referred to in section 23 of the act;
“protected area” means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

“Protected Areas Act” means the National Environmental Management: Protected Areas Act, 2003;

“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, 1999 (Act No. 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 kinds:

- (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;
- (d) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (e) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (f) railway lines forming part of a national railway system;
- (g) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (h) runways or aprons at national or provincial airports;
- (i) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational

aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

(j) any other publicly controlled infrastructure as may be prescribed; or

(k) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

“rate” means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

“rateable property” means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

“rebate”, in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

“reduction”, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

“register”—

(a) means to record in a register in terms of—

(i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or

(ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and

(b) includes any other formal act in terms of any other legislation to record—

(i) a right to use land for or in connection with mining purposes; or

(ii) a land tenure right;

“residential property” means a property included in a valuation roll in terms of section 48 (2) (b) of the act as residential;

“sectional title unit” means a unit defined in section 1 of the Sectional Titles Act;

“smallholding” for the purposes of this policy means an agricultural holding smaller than a farm in close proximity to urban development which in the opinion of the valuer is classified as such;

“state trust land” means land owned by the state—

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

Other Definitions

“child headed household” means any child who is or is a blood relative of the owner of the property and which child is responsible for the care of siblings or parents;

“disabled” means a person who qualifies to receive relief in terms of the Social Services Act, 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioner;

“Indigent owner” means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality’s indigent policy;

“The Municipality” means the Dannhauser Municipality;

“Owners of property in an area affected by a disaster” means owners of property situated within an area affected by:

- (a) a disaster within the meaning of the Disaster Management Act 57 of 2002;
- (b) any other serious adverse social or economic conditions;

“Pensioner” means

- (a) a person in receipt of a social pension; or
- (b) a person over the age of 60 years; or a person who has retired prematurely from employment due to medical reasons;

“Retiree” means a person who has retired from employment in terms of that person’s employment or who has reached the age of a pensioner; **“Temporarily without income”** means; (a) in the case of an employee –

- (i) the period for which the person is entitled to benefits in terms of the Unemployment Insurance Act; or

- (ii) 90 days, whichever is the longer; or in any other case, a period of 90 days determined from the date of application by that person for relief in terms of the Municipality's policy;

“Non-profit organizations” means any organization which is registered in terms of the Non-profit Organizations Act 1997 (Act No. 71 of 1997).

‘place of public worship’ means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is—

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right;”

‘public service purposes’, in relation to the use of a property means property owned and used by an organ of state as—

- (a) hospitals or clinics;
 - (b) schools, pre-schools, early childhood development centres or further education and training colleges;
 - (c) national and provincial libraries and archives;
 - (d) police stations;
 - (e) correctional facilities; or
 - (f) courts of law,
- but excludes property contemplated in the definition of ‘public service infrastructure’;

2. IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE

- 2.1 This amended policy will take effect from the date in which the council adopts it during 2022/23 financial year annual review. The first valuation roll was prepared by the Municipality in terms of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and must accompany the Municipality's budget for the financial year.
- 2.2 The Rates Policy must be reviewed annually, and if necessary, amended by the Municipal Council, such amendments to be effected in conjunction with the Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.
- 2.3 The Municipality has adopted by-laws to give effect to the implementation of its Rates policy and such by-laws must be read in conjunction with this Policy. The rates by-laws may differentiate between:
- 2.3.1 Categories of properties; and
- 2.3.2 Categories of owners of properties.
- 2.4 The by-laws adopted in terms of Item 2.3 may be reviewed annually, and if necessary be amended by the Municipal Council, in conjunction and in accordance with the Rates Policy.

3. FUNDAMENTAL PRINCIPLES OF THIS POLICY

- 3.1 The principles of this Policy are to ensure that:-
- 3.1.1 The power of the Municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital or labour in terms of Section 229 of the Constitution of the Republic of South Africa;
- 3.1.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;

3.1.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the Municipality and for the purpose of generating revenue to balance the budget after taking into account:

- a) profits generated on trading and economic services; and
- b) the amounts required to finance exemptions, rebates and reductions of rates as approved by council from time to time;

3.1.4 property rates will not be used to subsidize trading and economic services;

3.1.5 The rates income generated by the Municipality will take into account relief measures to address the social and economic needs of the community;

3.1.6 This Policy was developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

4. THE PURPOSE OF THIS POLICY

4.1 The purpose of this policy is to:

- 4.1.1 Comply with the provisions section 3 of the Act, 2004 (Act No. 6 of 2004);
- 4.1.2 Give effect to the principles outlined above;
- 4.1.3 determine the methodology and to prescribe procedures for the implementation of the Act;
- 4.1.4 Determine criteria to be applied for the levying of differential rates for different categories of properties;
- 4.1.5 Determine or provide criteria for the determination of categories of properties and categories of owners of properties for categories of properties;
- 4.1.6 Determine criteria to be applied for granting exemptions, rebates and reductions;

- 4.1.7 Determine how the Municipality's powers must be exercised in relation to multi-purpose properties;
- 4.1.8 Determine measures to promote local economic and social development;
- 4.1.9 Identify which categories of properties the Municipality has elected not to rate as provided for in section 7 of the Act.

5. EQUITABLE TREATMENT OF RATEPAYERS

- 5.1 The Municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner, and within the limitations set out in part 3 of the Act. The Municipality may adopt measures to ensure equitable and fair treatment of ratepayers.
- 5.2 Any differentiation in levying rates must not constitute unfair discrimination.

6. DISCRETIONARY DECISIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

- 6.1 It is recorded that the Municipality has adopted the following resolutions:
 - 6.1.1 To levy rates on all rateable property in its area of jurisdiction.
 - 6.1.2 To determine the date of implementation as provided above.
 - 6.1.3 To determine the date of general valuation as of 1 July 2023.
 - 6.1.4 To levy different cents in the rand for different categories of rateable property.
 - 6.1.5 That the categories of properties for the purpose of differential rating referred to in 4.1.4 above are those specified in Annexure 1 attached hereto.
 - 6.1.6 That the criteria for the assessment of market value in terms of section 8(1) of the act shall be actually used.
 - 6.1.7 To determine whether the valuations for multiple purpose usage will be assessed according to the dominant use of the property.

6.1.8 To rate public service infrastructure.

7. CATEGORIES OF RATEABLE PROPERTIES

The categories of properties for Dannhauser Municipality are as follows:

<u>CODE</u>	CATEGORIES OF PROPERTIES (Based on the actual use of the Property)	REBATES (Optional)	REDUCTION (Optional)	EXEMPTION (Optional)
AGA	Agriculture properties used for agricultural purposes	50%	0	0
BUS	Business and commercial properties	10%	0	0
IND	Industrial Properties	10%	0	0
MIN	Mining Properties	10%	0	0
MUN	Municipal Properties	0	0	100%
PBO	Public Benefit Organizations	0	0	100%
PSI	Public Service Infrastructure	0	0	100%
RES	Residential Properties	20%	R50 000.00	0
PSP	State Owned Properties	10%	R 15 000.00	0
VP	Vacant Property	10%	R 15 000.00	0
WOR	Worship	0	0	100%

8. CRITERIA FOR DIFFERENTIAL RATING

8.1 Differential rating is the levying of different rates for different categories of properties. The Municipality has resolved to levy differential rates for different categories of rateable property properties as reflected in Annexure 1 and the rates applicable to the different categories of properties are as resolved by the council and published annually.

9. RELIEF MEASURES FOR RATEPAYERS

9.1 The Municipality has considered:

9.1.2 The need to grant relief to certain ratepayers (including the poor) with a view to providing for appropriate measures to alleviate the impact of the rates burden on them;

9.1.3 The effect of rates on non-profit organizations whose income is applied solely to further the aims and objectives of the said organization, and which may registered in terms of the Income Tax Act for tax reductions because of those activities;

9.1.4 The specified public benefit activities recognized by the act relating to those activities 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, 1962 (Act No.58 of 1962), and these public benefit organizations have been granted the relief identified below.

9.2 The Municipality will only consider the grant of relief to those organizations who meet the requirements set out in clause 9.1.3 and 9.1.4 above and whose activities are of a public and/or charitable nature.

9.3 The Municipality will not granting relief in respect of the payment of rates other than by way of an exemption, a rebate or a reduction provided for in its rates policy and granted in terms of section 15 of the Act.

9.4 The Municipality will not grant relief to the owners of properties on an individual basis.

10. EXEMPTION, REDUCTION AND REBATES FROM RATES

10.1 The Municipality may, in terms of the criteria set out in this policy:

10.1.1 Exempt a specific category of owners of properties, or owners of a specific category of properties, from the payment of a rate levied on their property; or

10.1.2 Grant to a specific category of owners of properties, or to owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.

10.2 The Municipality has determined the following categories of owners of properties for the purpose of granting exemptions, rebates or reductions:

10.2.1 Indigent owners

10.2.2 Owners dependent on pensions or social grants for their livelihood

10.2.3 Disability grantees/medically boarded persons.

10.2.4 Retirees.

10.2.5 Owners temporarily without an income

10.2.6 Child-headed household

10.2.7 Owners of properties situated within an area affected by a disaster within the meaning of the Disaster Management Act 57 of 2002

10.2.8 Municipal properties

10.2.9 Public benefit organizations that conduct the following public benefit activities

- a) welfare and humanitarian; or
- b) health care; or
- c) education; and

10.2.10 Vacant land (Vacant Property situated in Dannhauser, Hatting Spruit and Durnacol that are undeveloped for the period of 24 Months will be penalized at a vacant Property rate if its market value is under R50 000 and 5% of the rateable value its market value is above R 50 000.00).

10.2.11 Owners of residential properties with a market value below R50 000 as determined by the Municipality, provided that the owners of vacant residential properties shall be limited to the first R15 000 of market value.

10.2.12 Non-profit organizations registered in terms of the non-profit organizations Act whose activities that are of a public and charitable nature as may be specified by the Municipality from time to time.

11. MULTIPLE PURPOSE PROPERTIES

- 11.1 The Municipality must resolve whether the valuations will be assessed according to the permitted use, the dominant use of the property or pro-rata according to multiple uses.
- 11.2 Section 9 of the Act provides for the value of properties to be based on one of the following criteria namely:
 - 11.2.1 The permitted use (section 9(a));
 - 11.2.2 The dominant use (section 9(b));
 - 11.2.3 pro-rata based on the various multi-purpose usage (Section 9(c)).
- 11.3 It is recorded that the Municipality has determined that for the purpose of assessing the value of multi purpose properties the following criteria will apply:
 - 11.3.1 Option 11.2.1 will apply only in respect of vacant land which has not been put to any use. In this instance the zoning or permitted use prevails. If indeterminate, then the valuer will establish the Highest and Best Use of the property;
 - 11.3.2 Dominant usage as in 11.2.2 will be determined by the valuer as a basis for determining the use category. Dominant in this instance shall be the measured extent under use (land and/or buildings).
- 11.4 Properties will be assessed on dominant use where at least 66% of that property is used for a particular purpose. The entire property will be assigned to that category of usage and the value will be assessed based on that usage only.
- 11.5 The Municipality has resolved that:
 - 11.5.1 Generally properties will be assigned to a category based on its dominant usage, provided that:
 - 11.5.2.1 In the case of State and Trust Land the different usage will be assessed pro-rata and assigned to a category.

12. COMMUNITY PARTICIPATION

- 12.1 The Municipality will comply with all its community participation and consultation obligations in terms of Chapter 4 of the Municipal Systems Act and Sections 4 and 5 of the Act before the Rates Policy is initially adopted.
- 12.2 In terms of Section 4(2) of the Property Rates Act, the Municipal Manager of the Municipality must:
 - 12.2.1 Conspicuously display the draft rates policy for a period of at least 30 days at the Municipality's head office, satellite offices and libraries and, if the Municipality has an official website or a website available to it, on that website as well;
 - 12.2.2 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 the various municipal offices for inspection and (when applicable) is also available on the relevant website; and
 - 12.2.3 Invite the local community to submit comments and representations to the Municipality within a period specified in the notice, which period may not be less than 30 days.
- 12.3 The Council of the Municipality is required, in terms of Section 4(3) of the Property Rates Act, to take all comments and representations made to it into account when it considers the draft rates policy for adoption.

13. RECOVERY OF RATES

- 13.1 The following people shall be liable for the payment of rates levied by the Municipality:
 - 13.1.1 Owner of a property;
 - 13.1.2 Joint owners of a property, who shall be liable jointly and severally;
 - 13.1.3 The owner of a sectional title unit; and
 - 13.1.4 in relation to agricultural properties:

- a) Any one joint owner of the agricultural property for all the rates levied on the agricultural property; or
- b) Each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the Municipality may choose in relation to agricultural properties.

13.2 In terms of Section 26 of the Act the Municipality will recover rates:

13.2.1 On a monthly basis or as may be prescribed in terms of the Municipal Finance Management Act, which rate must be paid in each period determined by the Municipality.

13.3 The Municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.

13.4 A Municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of Section 28 of the Act.

13.5 A Municipality may recover rates due, either whole or in part, from the agent of the owner if this is more convenient for the Municipality and in terms of Section 29 of the Act.

14. CONSOLIDATION AND APPORTIONMENT OF PAYMENTS

14.1 A separate accounts of persons liable for payment to the Municipality for either rates or services may be consolidated in one account and any appropriation of payments will be done in accordance with the Municipality's credit control policy.

15. RATES REBATES AND EXEMPTIONS TO BE APPLIED

15.1 Rebates and exemptions for categories of properties.

15.1.1 The Municipality has resolved to grant relief to the categories of properties below:

Schedule of the categories of properties granted relief

Category of Property	Percentage Rebate
-----------------------------	--------------------------

Residential Value above R50 000 Value less than R15 000(in terms of section 17(1)(h) of the Act)	20% rebate 100% exemption
Business/Commercial	10% rebate
Industrial	10% rebate
Agriculture Special provisions are applicable to agricultural rebates as per clause 15.5 below	50% rebate
Mining Properties	10% rebate
Public Services Properties	10% rebate
Vacant Properties	10% rebate

15.1.2 Owners of residential properties with a market value below the amount as determined annually by the Municipality

It is recorded that the Municipality is precluded in terms of section 17(1)(h) of the Act from levying rates on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a Municipality to a category determined by the Municipality:

15.1.3 for residential properties; or

15.1.4 for properties used for multiple purposes provided one or more components of the property are used for residential purposes.

15.1.5 The Municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding **R35 000** in respect of improved residential properties.

15.2 Rebates and exemptions for categories of owners of properties

15.2.1 The Municipality has resolved to grant relief to the following categories of owners of properties in addition to the relief granted to the category of properties in 15.1 above:

Category Of Owner	Percentage Rebate
An indigent pensioner	100%
Retiree	25% (for pension below R7000.00)
Persons temporarily without income	100%
Disabled persons	100%
Indigent persons	100%
Owners of property in an area affected by a disaster	100%
Child Headed Households	100%

15.3 In order to qualify for the rebates an indigent pensioner, a retiree, a disabled person, an indigent and/ or person temporarily without income must:

15.3.1 be the sole owner of the property or owned jointly with his/her spouse;

15.3.2 Be living permanently on the property;

15.3.3 Not own any other property;

15.3.4 Have an aggregate household income reflected in the table below;

Income Bracket	Percentage Rebate
R0 – R2 500 per month	100%
R2 501 – R3000 per month	100%
R3001 – R3960 per month	100%

15.3.5 In terms of a pensioner be at least 60 years of age

15.3.6 provide proof of identity in the form of an identity document; and

15.3.7 Substantiate items 15.3.2 to 15.3.4 above by way of a sworn affidavit before a Commissioner of Oaths;

15.3.8 Provide proof income on a sworn declaration and supported by documentation;

15.3.9 Medical certificate as required by the Municipality if the application relies on a medical basis for the rebate;

15.3.10 any other supporting documents specified by the Municipality from time to time.

15.3.11 the rebate will lapse:

- i) On death of the applicant; ii) On alienation of the property iii) When the applicant ceases to reside permanently on the property;
- v) If applications are not submitted annually; late applications may be reinstated with effect from the next practical billing cycle;

15.4 Child headed households

In order to qualify for the rebates the head of the family must: - i) occupy the property as his/her normal residence; ii) Not be older than 18 years age; iii) Still be a scholar or jobless; and iv) Be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality;

The family head must apply on a prescribed application form for relief as determined by the Municipality and must be assisted by the Municipality with completion of the application form.

15.4.1 The rebate will lapse:

- i) When the minor reaches the age of majority
- ii) On alienation of the property
- iii) When the applicant ceases to reside permanently on the property;

- v) If applications are not submitted annually; late applications may be reinstated with effect from the next practical

billing cycle;

15.5 In considering the criteria to be applied in respect of rebates on agricultural properties, the Municipality took into account:

15.5.1 The extent of services provided by the Municipality in respect of such properties;

15.5.2 The contribution of agriculture to the local economy;

15.5.3 The extent to which agriculture assists in meeting the service delivery and development obligations of the Municipality;

15.5.4 The contribution of agriculture of to the social and economic welfare of farm workers

15.6 Having regard to the provisions of the 15.1.1 above the Municipality will grant a total rebate of 50% in respect of agricultural properties.

15.7 **Public Benefit Organisations (PBO's)**

Taking into account the effects of rates on PBOs performing a specific public benefit activity and registered in terms of Income Tax Act for tax reduction because of those activities, it is proposed that PBOs performing the following specified public benefits activities be exempted from rating and may apply annually for the exemption of property rates:-

- a. Welfare and humanitarian, for example PBOs providing disaster relief.
- b. Health Care, for example PBO's providing counseling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regards.
- c. Education and development, for example a PBO's providing early childhood development services for pre-school children.
- d. Religious

15.8 **Municipal properties**

Municipal properties are exempted from paying rates as it will increase the rate burden or service charges to property owners or consumers. Where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates.

15.9 **Non-profit organizations**

The Municipality has resolved to exempt from the payment of rates non-profit organizations registered in terms of the Non-Profit organizations Act whose activities are that of a public and charitable nature as may be specified by the Municipality from time to time

15.10 **Vacant land**

Vacant land valued at a value determined by Council at its annual budget, shall receive 10% rebate.

15.11 In order to qualify for exemption all applicants shall comply with the following requirements:

15.11.1 written applications for exemption for the financial year must be lodged in the prescribed format with the Municipal Manager on or before **31 October**; thereafter, applications for exemption shall be lodged on or before **31 March** in the year prior to the financial year for which application is being made;

15.11.2 In the case of **public benefit organizations** upon proof of registration in terms of the requirements of the Income Tax Act;

An affidavit signed by the head of the public benefit organization or non-profit organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the said public benefit organization;

15.11.3 In the case of a religious community upon proof of submission that the property is used primarily as a place of public worship; and

15.11.4 In the case of the residence owned by the religious community that the property is occupied by an office bearer who officiates at services at that place of worship; a copy of the title deed issued by the Deeds Registry within the last 2 months reflecting that the property is registered in the name of the applicant.

15.11.5 In the case of properties owned by non-profit organizations upon proof of submission of an affidavit signed by the head of the non-profit organization before a Commissioner of Oaths that the property is used primarily for the aims and objective of the said non-profit organization; that no private pecuniary profit is made from the property; that no rent is received by the applicant for any use of the property by other persons.

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

16. DEFERMENT OF RATES

16.1 The Municipality will on application defer the payment of rates in terms of section 26(3) of the Act under the following special circumstances. To qualify for deferment of rates, the Applicant: -

16.1.1 must be a pensioner, indigent, disabled, over 60 years of age, or who is not above 60 years of age, but has or has been retired from employment by reason of any illness or disability certified by a medical practitioner, dentist, psychologist, intern or intern psychologist contemplated in the Medical, Dental and Supplementary Health Service Professions Act, 1974 (Act 56 of 1974), and whose income from all sources whatsoever must not exceed **R47 520** per annum (including the income of the spouse, if applicable) and the Municipal valuation of the property must **not exceed R 350 000**; 16.1.2 must reside permanently on the property concerned;

16.1.3 must be the registered owner of the property.

16.2 Application must be made annually in writing on the prescribed form:

- 16.2.1 not later than the final date for payment of such rates provided that the council may in special circumstances grant a deferment of the payment of rates after the final date for such payment notwithstanding that such application was made after such final date for payment.
- 16.3 Deferment will be considered provided that the total amount of all rates so deferred together with accumulated interest accumulated thereon shall not at any time exceed 50% of the value of the property concerned as shown in the valuation roll.
- 16.4 The final date for payment of the rates on the property concerned shall not be affected by reason of any application for deferment in terms of subsection 16.2 above, provided that if the council allows such application, the portion of the rates in respect of which payment is deferred shall be refunded to the applicant.
- 16.5 The accumulated amount of the deferred rates shall bear interest at a rate determined from time to time by the council and the council may also approve the waiver of such interest.
- 16.6 Only the current year's rates can be considered for deferment and then only if the Applicant's rates are not in arrears.
- 16.7 Any deferment granted in terms of this policy of shall terminate immediately.
- 16.7.1 upon the death of the registered owner; provided that the council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
- 16.7.2 Upon the expropriation, sale or other disposal of the property concerned;
- 16.7.3 Upon the owner ceasing to reside permanently on the property concerned;
- 16.7.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment; and on expiry of the period of deferment.

17. IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT

- 17.1 A Municipality may not levy a rate on the following in terms of section 17(1) of the Act:
- 17.1.1 On the first 30% of the market value of public service infrastructure;
 - 17.1.2 Any part of the seashore in terms of section 17(1)(b) of the Act.
 - 17.1.3 Any part of the territorial waters of the Republic in terms of section 17(1)(c) of the Act
 - 17.1.4 Any islands of which the state is the owner in terms of section 17(1)(d) of the Act.
 - 17.1.5 Protected areas in terms of section 17(1)(e) of the Act 18.1.6 mineral rights within the meaning of paragraph 18.1.2 of the definition of "property" in section 1;
 - 17.1.6 Mineral rights in terms of section 17(1)(f) of the Act.
 - 17.1.7 Properties belonging to land reform beneficiaries in terms of section 17(1)(g) of the Act (for the first 10 years from date of registration in Deeds Office)
 - 17.1.8 On the first R15 000 of the market value of residential property in terms of section 17(1)(h) of the Act
 - 17.1.9 Religious institutions in terms of section 17(1)(i) of the Act.

18. NEWLY RATED PROPERTY

- 18.1 Any property which was not previously rated must be phased in subject to the conditions that:
- 18.1.1 Property registered in the name of a land reform beneficiary must be phased in after the exclusion period in section 17(1) (g);
 - 18.1.2 Property owned by Public Benefit Organizations must be phased in over a period of four financial years provided that the Municipality may extend this period on written application to the MEC.
- 18.2 The phasing in period shall be as set out in the attached table.

Applicable rates for properties to be phased in over four years:

(Public Benefit Organisations)

Year	Percentage Rates Payable
First	Zero%
Second	25%
Third	50%
Fourth	75%

Applicable rates for properties to be phased in over three years:

(Newly Rateable Properties – e.g. Agricultural Land)

Year	Percentage Rates Payable
First	25%
Second	50%
Third	75%

19. POLICY ADOPTION

This policy has been considered and approved by the Council of Dannhauser Municipality on this day..... of 2023 and will be implemented on 01 July 2023