

MOSSEL BAY MUNICIPALITY



PROPERTY RATES POLICY

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PROPERTY RATES POLICY

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1. BACKGROUND

This Policy is formulated in terms of Section 3 of the Local Government Municipal Property Rates Act, (Act 6 of 2004) which became operative on 2 July 2005. In 2007, Mossel Bay Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the Municipality in terms of this Act. A further General Valuation has been completed in 2011. The latest General Valuation was performed in 2016/17 and is effective from 1 July 2017.

2. LEGISLATIVE CONTEXT

- 2.1 In terms of Section 229 of the Constitution, a Municipality may impose property rates on property.
- 2.2 In terms of Section 4(1) (c) of the Municipal Systems Act, (Act no.32 of 2000), a Municipality has the right to finance the affairs of the Municipality by imposing, inter alia, property rates on property.
- 2.3 In terms of Section 2(1) of the Municipal Property Rates Act, (Act No. 6 of 2004) a local Municipality may levy a rate on property in its area in accordance with the other provisions of this Act.
- 2.4 This Policy must be read together with, and is subject to the provisions of the Municipal Property Rates Act and the Property Rates By-Law.
- 2.5 In terms of Section 8(1) of the Municipal Property Rates Act, the Municipality is levying property rates on the use of the property as determined on the valuation roll in terms of Section 48 of this Act.
- 2.6 In terms of Section 26 of the Municipal Property Rates Act - Method and time of payment –
 - 1) a Municipality will recover a rate –
 - a) On a monthly basis as prescribed in terms of the Municipal Finance Management Act: or
 - b) Annually on written application by the owner.
 - 2) a) If a rate is payable in a single amount annually it must be paid on or before a date during October determined by the Municipality.
 - c) When a rate is payable in monthly instalments it must be paid on or before a date in each period determined by the Municipality.

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3) Payment of a rate may be deferred but only in special circumstances.

2.7 In terms of Section 12 of the Municipal Property Rates Act – Period for which property rates may be levied.

When levying property rates, a Municipality must levy the property rate for a financial year. A property rate lapses at the end of the financial year for which it was levied.

3. DEFINITIONS

In addition to the definitions contained in the Municipal Property Rates Act and the Property Rates By-Law, the following words and phrases bear the meanings assigned to them below:

“Accommodation Establishment” in relation to a property means the supply of overnight facilities to guests and tourists;

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

“Agricultural Property” means a property that is used primarily for agricultural purposes but, without derogating from section 9 of the Municipal Property Rates Act, (Act 6 of 2004), excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

“Annually” means once every financial year;

“Appeal board” means a valuation appeal board established in terms of section 56;

“Category” in relation to:

- Property, means a category of properties determined in terms of Section 8 of the Act, and
- Owners of properties, means a category of owners determined in terms of Section 15(2) of the Act.

“CFO” means the Chief Financial Officer of the Municipality, being a person designated in terms of Section 80(2) (a) of the MFMA, or his/her nominee;

“Date of valuation” means the date determined by a municipality in terms of section 31(1);

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"Day" means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

"Dominant use" means 60% or more of the use of a property (as determined by the valuer);

"Effective date"-

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

"Exemption", in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

"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 58 of 1972);

"Gross monthly household income" means the gross monthly income from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, donations and any other form of financial support or investment income, received by every person residing on the property;

"Homeless people's shelters" means a bona fide non-profit organisation (NPO) which operates a shelter used primarily for the accommodation of homeless people and which has applied in writing for and been registered as such shelter by Council;

"Interest" means a charge levied on all accounts calculated at a rate of 1% higher than the prime interest rate;

"Interest payable" means a credit to the owner account on rates adjusted downwards where the valuation roll was incorrect in terms of the rates category and/or value and/or effective dates. Interest payable will be calculated at a rate of 1% higher than the prime interest rate;

"Local community", in relation to a municipality-

- Means that body of persons comprising-
 - The residents of the municipality;
 - The ratepayers of the municipality;

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- Any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
- 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
- Includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“Local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

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

“MEC for local government” means the member of the Executive Council of a province who is responsible for local government in that province;

“MFMA” means the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003);

“Mining Properties” means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act 2000 (Act No. 28 of 2002);

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

“MPRA Rate Ratio Regulations” means the Municipal Property Rates Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the MPRA published under Government Notice R195, Government Gazette 32991, on 1 March 2010;

“Multiple purpose” in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Municipal Property Rates Act (Act No. 6 of 2004);

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

“Municipality” means the Mossel Bay Municipality;

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

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“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

“Municipal valuer” or **“valuer of a municipality”** means a person designated as a municipal valuer in terms of section 33(1);

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

- A property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- A property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

“Non-Residential Property” means all properties other than those defined as residential;

“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;

“Office bearer” in relation to places of worship, means the primary person who officiates at services at that place of worship;

“Official residence” in relation to places of public worship means-

- (a) portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship,

registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer

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

“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;

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- (bA) in relation to a time-sharing interest contemplated in the Property Time-Sharing Control Act, 1983 (Act 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-Sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
 - (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act 59 of 1980)
 - (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (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 of 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;
- (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or

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- (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-

- Any restrictions imposed by-
 - A condition of title;
 - A provision of a town planning or land use scheme; or
 - Any legislation applicable to any specific property or properties;
or
- Any alleviation of any such restrictions;

“Person” includes an organ of state.

“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.

“Prescribe” means prescribe by regulations in terms of section 83;

“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 Rates By-law” means the Municipality: Property Rates By-law promulgated in the Provincial Gazette No. 6917 of 14 October 2011;

“Property register” means a register of properties referred to in section 23;

“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;

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"Public benefit organisation (PBO)" means properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the 'Ninth Schedule to the Income Tax Act;

"Public Service Infrastructure (PSI)" and **"Public Service Infrastructure Impermissible (PSII)"** means publicly controlled infrastructure.

Section 17(a) and 17(aA) split the subsections as listed in the PSI definition into two groups being:

Group A = PSI definition subsection (c), (d), (f) and (j)

Group B = PSII definition subsection (a), (b), (e), (g), (h) and (i)

"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 (PSI);

"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;

"Ratepayer" means a person or entity that is liable, in terms of the MPRA, for the payment of property rates on property levied by the Municipality;

"Rates Clearance System Supplier" means the Lexis RatesClearance.com system which manages the processing and issuing of rates clearance certificates;

"Ratio" in relation to section 19 of the Municipal Property Rates Act (Act No.6 of 2004), means the relationship between the cent in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

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“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-
- a. The Deeds Registries Act, 1937 (Act 47 of 1937); or
 - b. The Mining Titles Registration Act, 1967 (Act 16 of 1967); and
- (b) Includes any other formal act in terms of any other legislation to record-
- a. A right to use land for or in connection with mining purposes; or
 - b. A land tenure right;

“Residential Property” means a property included in a valuation roll in terms of section 48(2)(b) of the Local Government Municipal Property Rates Act in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Municipal Property Rates Act (Act 6 of 2004); and which includes the following:

- used predominantly (60% or more) for residential purposes;
- a unit registered in terms of the Sectional Titles Act (Act No. 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
- owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one residential property as set out in 5.1 below; or
- a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or
- an old age home used predominantly (60% or more) for residential purposes; or
- a block of flats used predominantly (60% or more) for residential purposes, but will be considered as one Residential property as set out in 5.1 below.

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“Sectional Titles Act” means the Sectional Titles Act, 1986 (Act 95 of 1986);

“Sectional title scheme” means a scheme defined in section 1 of the Sectional Title Act;

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

“Special rated areas”

- (1) A municipality may by resolution of its council-
 - a. Determine an area within that municipality as a special rating area;
 - b. Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
 - c. Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).

- (2) Before determining a special rating area, a municipality must-
 - a. Consult the local community, including on the following matters;
 - i. The proposed boundaries of the area; and
 - ii. The proposed improvement or upgrading of the area; and
 - b. Obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

- (3) When a municipality determines a special rating area, the municipality-
 - a. Must determine the boundaries of the area;
 - b. Must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
 - c. Must establish separate accounting and other record keeping systems regarding-
 - i. The revenue generated by the additional rate; and
 - ii. The improvement and upgrading of the area; and
 - d. May establish a committee composed of persons representing the community in the area to act as a consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committee in the area, if the municipality has a ward committee or committees in the area.

- (4) This section may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality’s integrated development plan.

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(5) This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal service district established in terms of that section of the Municipal Systems Act.

“Specified public benefit activity” means an activity listed in item 1 (welfare and humanitarian, item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

“This act” includes regulations made in terms of section 83.

(2) In this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

“Valuation Roll” means a valuation roll made in terms of Section 30 of the MPRA or a supplementary valuation roll made in terms of Section 78 of the MPRA;

“Vacant Land” means a property without any buildings or structures that could be used for residential or other purposes.

4. GUIDING PRINCIPLES

4.1 The Municipality’s Property Rates Policy is based on the following guiding principles:

- equity;
- affordability;
- poverty alleviation;
- social and economic development;
- financial sustainability; and
- cost efficiency.

4.2 Property Rates are levied in accordance with the MPRA as a cent-in-the-rand based on the property value contained in the Municipality’s General Valuation Roll of 2016 and Supplementary Valuation Rolls.

4.3 A municipality must, according to Sec 78 of the MPRA, whenever necessary, cause a supplementary valuation to be made in respect of any rateable property- If

- (a) Incorrectly omitted from the valuation roll;
- (b) Included in a municipality after the last general valuation;
- (c) Subdivided or consolidated after the last general valuation;
- (d) the market value has substantially increased or decreased for any reason after the last general valuation;
- (e) Substantially incorrectly valued during the last general valuation;
- (f) it must be valued for any other exceptional reason;

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- (g) the category has changed;
- (h) the value recorded in the valuation roll was incorrect as a result of a clerical or typing error.

Furthermore, a supplementary valuation in respect of any rateable property will be triggered when:

- (a) Occupation certificate is received;
- (b) Improvement on a property reaches roof height;
- (c) Change of land usage/zoning;
- (d) Demolishing certificate;
- (e) Consolidation / Subdivision of properties;
- (f) Any other reason that may cause the valuation of the property to increase or decrease.

4.4 As allowed for in the MPRA, the Municipality has chosen to differentiate between various categories of property and owners of property. Some categories of property and categories of owners are granted relief from property rates. However, the Municipality does not grant relief in respect of payments for property 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.

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

4.6 Differential rates applicable to Mossel Bay Municipality:

- Agricultural Properties (AGRI)
- Multipurpose Properties
- Businesses and Commercial Properties; (BUS)
- Industrial Properties; (IND)
- Mining Properties; (MIN)
- Municipal Properties; (MUN)
- Public Service Properties/Organs of state; (PSP)
- Place of Worship – Church; (POWC)
- Place of Worship – Parsonages; (POWP)
- Protected Area; (PROT)
- Public Benefit Organisations; (PBO)
- Public Service Infrastructure; (PSI)
- Public Service Infrastructure – Impermissible; (PSII)
- Residential Properties; (RES)
- Vacant Land. (RESV or BUSV)
- National Monument (NMON)

4.7 The rate charged as a cent-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the Residential rate as set out below.

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PROPERTY RATES TARIFF STRUCTURE

TARIFF TYPE	CATEGORY	RATIO	STRUCTURE
RESIDENTIAL	RES	BASE TARIFF	100%
Vacant Land - Residential	RESV	Ratio to base tariff	130%
Business & Commercial	BUS	Ratio to base tariff	200%
Vacant Land - Business	BUSV	Ratio to base tariff	240%
Industrial	IND	Ratio to base tariff	200%
Mining	MIN	Ratio to base tariff	200%
Agricultural	AGRI	Ratio to base tariff	25%
Public Service Infrastructure	PSI / PSII	Ratio to base tariff	25%
Public Benefit Organisation	PBO	Ratio to base tariff	25%
Public Service Properties	PSP (GOV)	Ratio to base tariff	25%
Municipal	MUN	Ratio to base tariff	0%
National Monuments	NMON	Ratio to base tariff	0%
Protected Areas	PROT	Ratio to base tariff	0%
Place of Worship - Church	POWC	Ratio to base tariff	0%
Place of Worship - Parsonage	POWP	Ratio to base tariff	0%

5. APPLICATION OF THE POLICY

5.1 Residential Property (RES)

- 5.1.1 a) The first R15 000 of the market value as per the Valuation Roll on Improved Residential Properties as set out in Section 17(1) (h) of the MPRA is exempted from paying property rates;
- b) The Municipality will grant a rebate in terms of Section 15(1)(b) of the MPRA on the balance of the market value up to the value decided by council in respect of all improved residential properties, as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-value properties (revenue foregone);
- c) In the case of residential properties with a market value up to the value decided by council, the Municipality will grant a rebate in terms of Section 15(1) (b) of the MPRA for the market value of the property.

5.1.2 Residential Vacant Land properties will not be granted any discounts or impermissible values.

5.1.3 Properties that are used as Accommodation Establishments (1 to 4 rental units) will be levied on the residential tariff;

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5.2 Business & Commercial (BUS)

Business & Commercial improved properties will be charged at 200% of the base tariff.

- 5.2.1 Properties that are used as Accommodation Establishments (5 to 7 rental units) will be granted a 30% rebate on the business & commercial tariff;
- 5.2.2 Properties that are used as Accommodation Establishments (8 to 11 rental units) will be granted a 15% rebate on the business & commercial tariff;
- 5.2.3 Properties that are used as Accommodation Establishments (12 or more rental units) will not be granted a rebate on the business & commercial tariff;
- 5.2.4 Farm properties that are used for business, commercial or industrial purposes will be granted a 30% rebate on the business and commercial tariff;
- 5.2.5 Business & Commercial Vacant Land properties will not qualify for any rebates and will therefore be charged the business & commercial tariff.

5.3 Public Service Infrastructure (PSI) and Public Service Infrastructure Impermissible (PSII)

- 5.3.1 For PSI and PSII properties (as defined in the MPRA) the first 30% of its market value in terms of Section 17(1) (a) of the MPRA is exempted from paying property rates.
- 5.3.2 PSI and PSII properties will be charged at 25% of the base tariff. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.
- 5.3.3 PSII properties are subject to phasing out in accordance to Section 93A of the MPRA.

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5.4 Agricultural Use (AGRI)

- 5.4.1 A farm is an area of land, including various structures thereon, devoted primarily to the practice of producing and managing food (produce, grains or livestock) or forestry products. The farming activity must be intense, must not be a mere hobby and must contribute to the local economy. (Bona fide farmer)
- 5.4.2 In terms of the MPRA, the definition of agricultural purpose excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game. For the purpose of defining "Trading in or hunting of game" the usage of the property for this purpose must be more than 50% of the total size.
- 5.4.3 If agricultural properties are not used solely for agricultural purposes and where the municipal valuator considers it reasonable to apply the category of multiple-use properties, the apportionment of value for each distinct use of the property will be calculated by the municipal valuator and used for billing at the applicable rate of the specific property rates category.
- 5.4.4 Bona fide farmers with certified proof can apply for a 15% rebate on property rates.

5.5 Multiple-Use Properties

Properties used for multiple purposes which do not fall within the definition of Residential Properties and, accordingly, do not qualify for the residential rate, may be included into the category of multiple-use properties, for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category.

5.6 Municipal Properties (MUN)

In terms of Section 7 of the MPRA the Municipality will not levy property rates on-

- (i) properties of which the municipality is the owner;
- (ii) Public Service Infrastructure owned by a municipal entity;
- (iii) Leased Municipal Properties with a nominal value and/or portions of the commonage property where it is not practical to levy property rates; and
- (iv) Municipal vesting properties.

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5.7 Pensioners

5.7.1 Registered owners of Residential Properties who are pensioners qualify for special rebates according to gross monthly household income of all persons permanently residing on that property. To qualify for the rebate a property owner must be the registered owner of a property which satisfies the requirements of the definition of Residential Property. This property owner must:

- occupy the property as his/her Primary Residence, and
- be at least 60 years of age, or
- has been declared medically unfit, and
- be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budget process.
- not receive any other rebates.

5.7.2 All applications for Pension Rebates will be effective for the same period as the General Valuation Roll. Applicants that qualified for the 2017/2018 financial year, will retain their pensioner's status until the next General Valuation becomes effective.

All pensioners must re-apply for Pension Rebates by 31 May of the year preceding the next General Valuation effective date.

5.7.3 Any new applications may be submitted at any time during the year, after which the rebates will be pro-rated from the month following successful application. (Application forms can be obtained from the Municipality).

5.7.4 If any status relating to 5.7.1 of this policy change, it is the responsibility of the applicant to notify the municipality. After notification, the municipality will remove the "Pensioner" status on the property. If neglected to notify the municipality of such status change and the municipality becomes aware of such change, the municipality will remove the "Pensioner" status and reverse any rebates that was granted on the property from application date.

5.7.5 No incomplete applications will be accepted nor applications without the required documents.

5.7.6 No applications on vacant plots will be processed.

5.7.7 Applications must be submitted at the Main Building, 101 Marsh Street, Mossel Bay. An acknowledgement of receipt of application will be issued to owners.

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5.7.8 Applicants will be required to keep their acknowledgement of receipt for future enquiries until the rebates have been allocated to their account.

5.7.9 If the applicant does not have his acknowledgement of receipt, he must re-apply for pension rebate and submit all the requirements again.

5.7.10 In the case of change in ownership, "Pensioner" status will automatically be adjusted.

5.7.11 Should a usufruct be registered on the property for the use of the property and the beneficiary resides on the premises, pension discount will be allowed with the submission of the usufruct document with the application for pension rebate on rates and sewerage.

5.8 Religious Institutions (POWC & POWP)

5.8.1 In terms of Section 17(1) (i) of the MPRA, the Municipality may not levy a rate on improved 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.

5.9 Public Benefit Organisations (PBO)/Non-Profit Organisations(NPO)

5.9.1 The properties of Public Benefit Organisations or Non-Profit Organisations Service will be charged at 25% of the base tariff, if they comply with the conditions in 5.9.2 below. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

5.9.2 In order to be considered, the organisations must either be registered as NPOs under the Non-Profit Organisations Act, (Act no., 71 of 1997), or be PBOs that qualify for tax exemption as contemplated by Part 1 of Section 30 of the Ninth Schedule of the Income Tax Act. Proof of such registration must be supplied upon request.

5.10 National Monuments (NMON)

Properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act No. 119 of 1998)

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6 GENERAL

- 6.1 People who have submitted false information and/or false affidavits and/or failed to notify the CFO of any amended use of properties owned or used by them will have the exemptions, rebates or reductions withdrawn with effect from the date of the incident in question and interest and penalties levied as provided for in the Municipality's Credit Control and Debt Collection Policy and By-Law. The Municipality may also take further appropriate action against them.
- 6.2 All applications for rebates or reductions will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Municipality's Credit Control and Debt Collection By-Law and Policy, which may include water and electricity saving measures. Should there be a default on the arrangements, all the rebates, exemptions or reductions granted may be reversed with effect from the date on which the default took place.
- 6.3 Any late applications or deviations from the ownership, registration or usage requirements of this Policy must be motivated in writing to the CFO and will be dealt with in the sole discretion of the CFO, taking into account any factors which he/she deem to be relevant, including, but not limited to considerations of fairness and equity.
- 6.4 All rate payers will be placed on the monthly rates payment arrangement, but on application can be changed to an annual rates payment. Application for annual rates payment must be received annually before 31 August.

7 REGULAR REVIEW PROCESSES

The Municipality's Property Rates Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

8 RESOLUTION LEVYING RATES

A resolution levying rates in a municipality must be annually promulgated within 60 days of the date of the resolution, by publishing the resolution in the Provincial Gazette.

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9 LIABILITY FOR AND PAYMENT OF PROPERTY RATES

Liability for and payment of property rates is further governed by the MPRA and the Municipality's Credit Control and Debt Collection By-Law and Policy.

10 DUE DATES

The due date for payment of property rates in terms of Sections 26(2)(a) and (b) and 78(4) of the MPRA means the date reflected on a municipal invoice as the final date on which payment is due and payable.

11 CLEARANCE CERTIFICATES

Software and System Details

The municipality can make use of an electronic Rates Clearance System. The system will provide a secure electronic link between the Conveyancing Attorneys and Municipality.

Audit and Legislation Compliance Process

All monies collected by the Municipality including in respect of Special Rating Areas (including City Improvement Districts) and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1) (a) of the Systems or Section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- 11.1 All rates clearance applications must contain at least one of the following contact options for the buyers:
- 11.1.1 The buyer's cell phone number
 - 11.1.2 The buyer's e-mail address
 - 11.1.3 The buyer's work and/or home address

All rates clearance applications must contain the correct postal address of the buyer. Should the application be incomplete, the application will be rejected by Council.

- 11.2 All amounts that are due, on date of application for rates clearance, must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act;
- 11.3 Rates clearance figures will be calculated for the current month of application and 120 days in advance. This figure will contain rates, services, surcharges and any other amounts that may become payable or in arrears with regards to the development, subdivided erf or sectional title unit.

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- 11.4 Developer's contributions will be due and payable before any rates clearance certificate is issued on new erven developments;
- 11.5 All receipts of fees, advance rates and services will be allocated on the Seller's debtors account. These fees will first be allocated to any arrears, clearance fee and valuation certificate fee, before allocated as an advance.
- 11.6 In the case of new sectional title developments payment of developer's contribution will be due before services will be connected;
- 11.7 no interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due; and
- 11.8 Outstanding services of tenants may only be recovered for a maximum period of two years if a request is lodged for a Section 118 (3) of the Municipal Systems Act (32 of 2000) Clearance Certificate. If this is done the conveyancer, seller and buyer of the property must be informed that the remaining debt will remain on the property according to subsection 3.
- 11.9 The clearance certificate will be valid for 60 days;
- 11.10 Extension on a clearance certificate will be granted, if all services are paid in advance for another 60 days;
- 11.11 Only electronic Rates Clearance Applications will be accepted.
- 11.12 Attorneys should await figures with the unique deposit reference for developer's contributions before payments are made. Proof of payment of developer's contributions will be validated via the capital contribution schedule.
- 11.13 Confirmation of registration must be captured by the Attorneys on the Rates Clearance System.
- 11.14 Pro-rata rates will be calculated by the Municipality;

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12. RATES REFUNDS

- 12.1 All refunds, including service deposits, will be paid to the transferring attorney after registration of the property;
- 12.2 Refunds will only be processed on applications received through Rates Clearance System.
- 12.3 Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.
- 12.4 Refunds will not be issued if the services have not been connected on the new owner's name and the deed confirming new ownership is not received.
- 12.5 Refunds will be processed when and if the transferring attorney's banking details on the creditor's form has been submitted, with a copy of the responsible person's ID document. The attorneys must supply the municipality with their contact person's e-mail address. Without the information no refund can be processed.
- 12.6 Refunds will be issued once a month per attorney firm.
- 12.7 Disconnection or reconnection of services must be sent through the rates clearance application system, as well as by e-mail to admin@mosselbay.gov.za.

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13. EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY FOR PAYMENT

In terms of the MPRA:

- 13.1 the lodging of an objection or an appeal in terms of Sections 50 and 54 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy;
- 13.2 the review of the municipal valuer's decision in terms of Section 52 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy.

14. INDIGENCY

In terms of Section 3(3) (f) and Section 15 of the MPRA all indigents, for rating purposes, will qualify in respect of their Residential Properties for the benefits as set out in paragraph 5.1 of this Policy.

15. INTEREST ON OVERDUE ACCOUNTS

- 15.1 Interest shall be raised on overdue accounts as determined in the Credit Control and Debt Collection By-Law and Policy.
- 15.2. Interest for incorrect billing.
 - 15.2.1. Interest for incorrect billing will be dealt with according to the amendment of section 55 of the principle act in subsection 2, paragraph (b)-
 - (i) recover from [or repay to,] the person liable for the payment of the rate the difference determined in terms of paragraph (a) [plus interest at a prescribed rate] without adding interest on the amount due for rates: or
 - (ii) refund to the person who made the payment the difference determined in terms of paragraph (a) plus interest at the prescribed rate.

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16. ADJUSTMENT OF PROPERTY RATES PRIOR TO SUPPLEMENTARY VALUATION (SV)

16.1 In circumstances where a valuation has been carried out by the municipal valuator in pursuance of a SV in terms of Section 78(1)(c), 78(1)(d), 78(1)(f), or 78(1)(g) of the MPRA as a result, for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in a SV, such valuation shall be submitted to the CFO for approval to levy property rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event which caused a SV to be required.

16.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property (ies) in a SV:

16.2.1 the municipal valuator shall conduct a valuation of the relevant property (ies) for purposes of a Supplementary Valuation; and

16.2.2 the valuation shall be submitted to the CFO for approval of the levying of property rates on such property (ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.

17. CORRECTIONS ON PROPERTY RATES

Can only be done via Supplementary valuations and according to Section 78 of the MPRA.

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18. This policy will come into effect on 1 July 2019

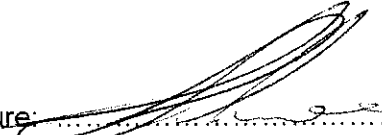
DOCUMENT AND VERSION CONTROL

Version: **Revision 15**


Date: **May 2019**

Summary: This document describes the Property Rates Policy that will be applicable to the Mossel Bay Municipality, with effect from

1 July 2019

Signature: 
Municipal Manager
(Accounting Officer)

Date: 31/05/2019

Signature: 
Executive Mayor

Date: 31/05/2019