
PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

PROVINCIAL NOTICE 114 OF 2016



PROPERTY RATES BY-LAWS
2016/2017

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To provide for the levying and recovery of rates on ratable property within the Municipality's area of jurisdiction. Ubuhlebezwe Municipality, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004, has by a way of a resolution adopted the Municipality's Property Rates By-law set out hereunder.

PREAMBLE

WHEREAS section 229(1) of the constitution requires a municipality to impose on property rates and surcharge on fees for the services provided by or on behalf of the municipality;

WHEREAS section 13 of the Municipal Systems Act read with section 162 of the Constitution require a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province;

WHEREAS income derived from property rates is a critical source of revenue for municipalities to achieve their constitutional objectives, especially in arrears that have been neglected in the past due to racially discriminatory laws;

WHEREAS section 6 of the Local Government: Municipal Property Rates Act, 2004 requires a municipality to adopt by-laws to give effect to implementation of its property Rates policy; the by-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates;

WHEREAS the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) came into effect on 2 July 2005.

NOW THEREFORE BE IT ENACTED by the Council of Ubuhlebezwe Local Municipality, as follows:

1. DEFINITIONS

In these by-laws, any word or expression to which a meaning has been assigned in the Local Government; Municipal Property Rates Act, 2004, bears that meaning, and unless the context indicates otherwise –

“Agriculture” 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;

“business” in relation to property, means the use of property for the activity of buying, selling or trading in commodities or services on a property and includes any office or other accommodation on the same property and includes incidental to such activity, but does not include the business of agriculture, farming or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms.

“Collection charges” means the charges which the Municipality is entitled to recover in terms of section 75A (1) of the Systems Act, and includes the administrative cost –

- a) Of reminding any ratepayers or customer of arrears
- b) And Of any notice rendered, sent, delivered or published to a ratepayer or customer in terms of this By-law or any other law.

“Municipality” means Ubuhlebezwe municipality

“Category” means the category in relation to properties for the purpose of levying different rates, and category in relation to owners of properties for the purpose of granting exemptions, rebates and reductions.

“Constitution” means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) as amended:

“Credit Control and Debt Collection By-laws” means the Municipality’s promulgated Credit Control and Debt Collection By-laws, as amended from time to time.

“government property” means property owned and exclusively used by an organ of the state, excluding farm properties used for residential or agricultural purpose or not in use;

“non-permitted use” in relation to property, means any use of a property that is inconsistent with or in contravention with the permitted use of that property in which event and without condoning the no-permitted use of thereof, the property shall be valued as if it were used for such non-permitted purposes only;

“Improvement” means any building or structure on or under property, but excludes –

- (a) a structure constructed solely for the purpose of rendering the property suitable the erection of any immovable structure thereon; and
- (b) any building, structure or equipment or machinery referred to in a section 46(3) of the Local Government: Municipal Property Rates Act;

“Indigent” means any household that is legally a resident in the country and reside in Ubuhlebezwe jurisdiction area, who due to a number of economic and social factors are unable to pay municipal basic services, and is registered by the municipality as such;

“Industrial” in relation to property, means the use of property for a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts on such large scale that capital and labour are significantly involved, including any office or other accommodation on the property, the use of which is incidental to the use of factory.

“Municipal property” means any property retable or non-ratable, owned by the municipality;

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

“Municipality” means Ubuhlebezwe municipality established by in terms of section 2 of the Municipal Systems Act;

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

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

“Municipal Valuer” means the person designated as municipal valuer by the Municipality in terms of section 33 of the Municipal Property Rates Act;

“Owner” in relation to property means the owner as defined in section 1 of the Municipal Property Rates Act;

“Pensioner” for the purposes of this rates policy and eligibility for old age rebate; pensioner means any owner of a ratable property who has reached the age of 60 years or more during the financial year;

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;

“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;

“Rates Randage” means an amount in the rand levied by the Municipality on ratable property within a specified category.

“Rates Policy” means the policy on levying rates on ratable properties of Ubuhlebezwe Municipality, contemplated in chapter 2 of the Municipal Property Rates Act.

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

“Supplementary valuation roll” means a valuation roll referred to in section 78 of the Municipal Property Rates Act;

“Vacant land” in relation to property, means

- (a) land on which no immovable improvements have been erected; or
- (b) land, where the value added by immovable improvements is less than 10% of the value of the land with no immovable improvement on it applicable to urban and non-urban land;

“Valuation roll” means the valuation roll as referred to in section 30 of the Municipal Property Rates Act.

2. OBJECTS

To provide for by- laws to give effect to the rates policy of the municipality in terms of section 6(1) of the Local Government: Municipal Property Rates Act, (Act No. 6 of 2004), and to provide for any matters incidental thereto.

3. ADOPTION AND IMPLEMENTATION OF RATES POLICY

3.1. Ubuhlebezwe Municipality shall adopt and implement the Rates Policy consistent with its Municipal Property Rates Act on the levying of rates on ratable property within its jurisdiction; and

3.2. Ubuhlebezwe Municipality shall not be entitled to levy rates other than in terms of the Rates Policy.

4. CONTENTS OF RATES POLICY

The Rates Policy shall, *inter alia*:

4.1. Apply to all rates levied by the municipality pursuant to the adoption of the Annual Budget;

4.2.1. The municipality must in terms of section 3(3) of the Act, determine or provide criteria for the for the determination of categories of properties for the purpose of levying different rates and categories of owners of properties, or categories of properties, for the purpose of granting exemptions, rebates and reductions;

4.2.2. The municipality must consult the community in terms section 4 of the Act.

4.3. Municipal council must annually review, and if necessary, amend its rates policy, and any amendments to a rates policy must accompany the municipality's annual budget when it is tabled in council in terms of section 16(2) of the Municipal Finance Management Act.

4.4. The municipality will enforce mechanisms that are consistent with the Municipal Property Rates Act and the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

4.5. Categories of ratable property for the purposes of levying differential rates are in terms of section 8(2) of the Municipal Property Rates Act, determined as follows:

- (a) Residential properties
- (b) Business and Commercial properties
- (c) Industrial properties

- (d) Municipal property (ratable)
- (e) Municipal property (not ratable)
- (f) State-owned properties
- (g) Public Service Infrastructure
- (h) Agricultural
- (i) Agricultural vacant land
- (j) Non-permitted use
- (k) Vacant land
- (l) State Trust land

5. ENFORCEMENT OF THE RATES POLICY

5.1 The levying of rates on property will be effected in terms of the Municipality's Rates Policy from time to time.

5.2 The Municipality will, as part of each annual operating budget process, determine a rate in the rand to be levied on the market value of the property in every category of properties.

5.3 A municipality may in terms of the criteria set out in its rate policy exempt a specific category of owners properties, or the owners of a specific category of properties, from payment of a rate levied on their property or grant a specific category of owners of properties, a rebate on or a reduction in the rates payable in respect of their properties.

5.4 Rates will be recovered monthly and annually.

5.5 Recovery of rates due will be in accordance with the municipality's Credit Control Policy.

6. GENERAL VALUATION

6.1 The municipality will undertake a general valuation of all ratable properties in its area of jurisdiction.

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

6.3 The municipality will in accordance with section 79 of the Municipal Property Rates Act, make amendments regularly to the particulars on the valuation roll.

7. PUBLIC NOTICE OF VALUATION ROLLS

(1) The valuer of a municipality must submit the certified valuation roll to the municipal manager, and the municipal manager must within 21 days of receipt of the roll—

- (a) publish in the prescribed form in the *Provincial Gazette*, and once a week for two consecutive weeks advertise in the media, a notice—
 - (i) stating that the roll is open for public inspection for a period stated in the notice, which may not be less than 30 days from the date of publication of the last notice; and
 - (ii) Inviting every person who wishes to lodge an objection in respect of any matter in, or omitted from, the roll to do so in the prescribed manner within the stated period;
- (b) disseminate the substance of the notice referred to in paragraph (a) to the local community in terms of Chapter 4 of the Municipal Systems Act; and
- (c) Serve, by ordinary mail or, if appropriate, in accordance with section 115 of the Municipal Systems Act, on every owner of property listed in the valuation roll a copy of the notice referred to in paragraph (a) together with an extract of the valuation roll pertaining to that owner's property.

(2) If the municipality has an official website or another website available to it, the notice and the valuation roll must also be published on that website.

8. NAME AND COMMENCEMENT DATE

8.1 These by-laws will be known as Ubuhlebezwe: Property Rates By-laws

8.2 These by-laws will come into effect on **1 July 2016**



UBUHEBEZWE MUNICIPALITY

GENERAL RATES

**General Rates and
Refuse Tariffs
2016/2017**

Introduction

This notice serves the confirmation of General Rates Assessment for the Financial Year 2016/2017

The General Rates assessments are based on the Local Government: Municipal Property Rates Act, 2004 (MPRA) (Act No. 6 of 2004) taking into consideration the application of the Municipal Property Rates Regulations as amended.

Regulations categorize rates ratio based applications which are below listed:

Category	Rates Ratio in Relation with Residential Property
Residential Property	1 : 1
Agriculture Property	1 : 0.25
Public Serv. Infrastructure Prop	1 : 0.25
Public Benefit Organization Prop	1 : 0.25

This rates ratio applied on all general rated property as per MPRA and MPRR determined by the Minister for Cooperative Governance and Traditional Affairs, in concurrency with the Minister of Finance.

In determination of the General Rates Tariffs applicable for the 2016/2017 financial year, the following factors have been accounted:

- Inflation Parameters,
- Expected shortfall on Operational Budget,
- Non Payments of said General Rates and
- Credit Control policy applicable on defaulters.

Recommendations

The following table reflects the 5.0% increase in the General Rates assessments from 2015/2016 to 2016/2017 financial years respectively.

DESCRIPTION	TARIFF 2015/2016	PROPOSED TARIFF 2016/2017	GENERAL REBATE	PHASING-IN REBATE
Residential	0.01512	0.01587	Nil	Nil
State owned	0.01554	0.01631	20%	Nil
Vacan Land	0.01554	0.01631	Nil	Nil
Agricultural	0.00378	0.00396	50%	Nil
Public Service Infrastructure	0.004536	0.00476	20%	Nil
Communal Land	0.00378	0.00396	50%	Nil
Commercial	0.01554	0.01631	Nil	Nil
Industrial	0.016275	0.01708	Nil	Nil
Mining		0.17943	Nil	Nil
Special purpose/Place of Worship	Exempt on Rates	Exempt on Rates	Exempt on Rates	Exempt on Rates

THE IMPERMISSIBLE RATES

1. Municipality does not levy rates on the first **R55,000** of the market value of property assigned to the categories below:
 - Residential Properties only.
2. The Municipality does not levy rates on the first **R15 000** of the market value of property assigned to:
 - Commercial, Vacant land, Agricultural, Communal Land, and Industrial properties. **NB: The impermissible rate of R55 000 does not apply to these categories.**
3. Public service infrastructure and State Owned property, the first 30% of the market value.

SECONDARY REBATE

Pensioners who wish to be granted with pensioners' rebate must make an application in a prescribed form, which is available at the front office by the cashier. This applications must be returned on the last day of April each year.

Secondary Rebates apply as follows:

Pensioners whose income	R0 - R 3500	Rebate 100%
	R3501 – R5000	Rebate 20%

Farmers Rebate : All farmers who are contributing to the farm workers will receive an additional rebate of up to 20% depending on the Council approval. The following must be provided to the farm community as the basic need in order for the farmer to be assessed and qualify:

- Electricity, Water, Firewood, House, Schools and Sports facilities.

GENERAL

1. Rates will be payable in ten (10) monthly equal instalments with the first instalment being due at the end of August and the last instalment payable by end of May.
2. Ratepayers who want to pay annually, must apply in writing to the CFO and the notice must be received on or before May 31, 2016. For annual rates, the final payment will be due at the end of February each year.
3. Unpaid monthly rates by last working day of each month will yield an interest of 1.5% per month or part thereof during which such default continues.
4. Annual rates outstanding at end of February will be penalised at 1.5% interest on outstanding total.
5. All rates that remain unpaid at the end of June each year will be charged a collection charge of 10% on overdue amount.
6. Legal actions for all account holder with overdue account that are three (3) months and older will be taken and even be blacklisted until the account is settled.
7. Copy of the resolution and proposed amendments are available from the Municipal Offices during office hours.

FAIRVIEW HALL HIRE

All tariffs will be charged per session (4 hours and 30 minutes)

Session 1 Between 9h00 and 13h30

Session 2 Between 14h00 and 18h30

Session 3 Between 19h30 and 24h00

Library Boardroom (charity/welfare)	R 800.00 per day
Promotion of cultures and education	R 500.00
Political meetings or similar nature	R1100.00
Weddings and parties	R1 500.00
Religious services, charitable institutes or funerals	R 300.00
Use of commercial undertaking	R1 500.00

TENDER DOCUMENTS:

TENDER VALUE	TARIFF
From R 30 000- R 200 000	R 120.00
From R 200 000- R 500 000	R 350.00
From R 500 000- R 5 Million	R 600.00
From R 5 Million- upwards	R 1200.00