

BUFFALO CITY METROPOLITAN MUNICIPALITY

REVENUE MANAGEMENT UNIT



PROPERTY RATES POLICY

In line with the

Municipal Property Rates Act, (Act No 6 of 2004)

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1. POLICY TITLE

Property Rates Policy

2. INTRODUCTION AND BACKGROUND

The Local Government: Municipal Property Rates Act, (Act No. 6 of 2004) hereafter referred to as the MPRA, requires municipalities to develop and adopt Rates Policies consistent with the Act on the levying of rates on ratable property in the municipality.

Property rates are the most important source of general revenue for the municipality and revenue derived from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining street lights, roads, sidewalks, lighting, storm drainage facilities, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, cost of governance such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets, which a municipality invites communities to input prior municipal council adoption of the budget.

3. LEGAL MANDATE AND REGULATORY FRAMEWORK

In terms of Section 229 of the Constitution of the Republic of South Africa, (Act No. 108 of 1996), a municipality may impose rates on property.

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*, rates on property.

In terms of Section 2(1) of the MPRA, (Act no 6 of 2004), a metropolitan or local municipality may levy a rate on property in its area of jurisdiction in accordance with the provisions of the MPRA.

This Property Rates Policy ('the Policy') only applies to the rating of property valued in accordance with the Act and the applicable regulations.

4. PURPOSE OF THE POLICY

The purpose of this policy is to determine the categories of property in respect of which rates may be levied and categories of property owners who qualify for exemptions, rebates or reduction. This policy also gives guidance on the processing of the exemptions, rebates and reduction to ensure a fair and a transparent system.

5. STRATEGIC OBJECTIVES

To ensure that Buffalo City Metropolitan Municipality remains financially viable by regularly conducting general and supplementary valuations, ensuring correct categorization of properties and levying assessment rates accordingly.

6. GUIDING PRINCIPLES

In formulating this Policy for Buffalo City Metropolitan Municipality, the following guiding principles will be taken into account:

Equity, i.e. that all categories of property and categories of owners be treated equitably in relation to each other.

Affordability, i.e. that the rates policy should take into account issues of affordability across categories of owners.

Poverty Alleviation, i.e. that the rates policy should facilitate poverty alleviation within the context of the mechanisms at its disposal.

Social and Economic Development, i.e. that the rates policy should within the context of the mechanisms at its disposal seek to enhance social and economic development.

Financial Sustainability and Cost Efficiency, i.e. that the rates policy should be cost efficient and should enhance the financial sustainability of the municipality.

Encouragement of Development of Property, i.e. that the rates policy should utilize the mechanism at its disposal to encourage the development of property in line with the socio-economic development needs and goals of the municipality.

Community Participation, i.e. that the rates policy should be reflective of issues and options expressed during public engagements.

7. DEFINITIONS

“Act” means the Local Government: Property Rates Act, (Act No 6 of 2004) and includes the regulations (if any) made in terms of Section 83 of the Act;

“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, refers to the use of an area of land of any extent, including the structures thereon, primarily for the practice of producing and managing produce, grains, livestock or forestry products but 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;

“Business and commercial property” refers to property on which the activity of buying, selling or trading of goods and/or services and any other commercial activity occurs and a property used for the purpose of eco-tourism or for the trading in or hunting game. Commercial property includes any office or other accommodation, the use of which is incidental to the business. This includes hostels, flats, communes, old age homes, self-catering/holiday flats and any property used for a purpose which does not fall within any other category defined in this policy;

“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).

“Chief Financial Officer” means the Chief Financial Officer as defined in the Municipal Finance Management Act;

“Council” means the Council of the Buffalo City Metropolitan Municipality;

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

“Dominant Use” in relation to a property means where a particular use is the largest proportion (51%) as compared to other uses on that property;

“Due Date” means the date specified as such on a municipal account dispatched from the offices of the responsible officer for any rates payable and which is the last day allowed for the payment of such rates;

“Early Childhood Development Centre” means Early Childhood Development Centers (ECDC's) functioning under the auspices of the National and/or Provincial Department of Education;

“East London Industrial Development Zone (ELIDZ) property owner” means a registered owner of property within the ELIDZ and includes IDZ itself, in respect of properties which have been developed and remain registered in the name of the ELIDZ.

“Education Institutions” as defined in the Schools Act (Act No 84 of 1996) including Schools and Independent Schools, Further Education and Training (FET) Colleges, as defined in the FET College Act, (Act No 16 of 2006) and Early Childhood Development Centers (ECD's) functioning under the auspices of the National and or Provincial Department of Education;

“Effective Date”- 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;

“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);

“Industrial Development Zone” means an Industrial Development Zone (IDZ) that is a purpose-built industrial estate, linked to an international port or airport, which have been specifically designated for new investment by export oriented industries and related services by the Department of Trade and Industry;

“Industrial property” refers to a property on which a trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts occurs on such a large scale that capital and labour are significantly involved. This includes any factories, offices and other accommodation on the same property.

“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 No. 126 of 1993; or
 - (ii) the Restitution of Land Rights Act No. 22 of 1994;
- (b) holds the property subject to the Communal Property Associations Act No 28 of 1996;
- (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.

“Land Tenure Right” means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

“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 organisations and non-governmental, private sector or labour organisations 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;

“Metropolitan Municipality” means a municipality that has exclusive executive and legislative authority in its area, and which is described in section 155 (1) of the Constitution as a category A municipality;

“Multiple Use”, in relation to a property, means use of a property for more than one purpose;

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

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

“Municipality”-

- (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and
- (b) as a geographical area, means a municipal area demarcated in terms of the Municipal Demarcation Act No. 27 1998.

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

“Municipal Owned Property” refers to property that is registered in the name of the Municipality and property vested by usage in the name of the Municipality whether it is used by the Municipality itself or made available to other entities without cost or in terms of a rental agreement.

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

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

“Municipal Valuer” or “Valuer of a Municipality” means a person designated as a municipal valuer in terms of section 33(1) of the Act;

“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;

“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;
- (c) In relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 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;
- (d) 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)
- (e) in relations 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;
- (f) 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
- (g) 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 lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right, or
- (ix) 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.

“Pensioner” means

- (a) a person in receipt of a social pension; or
- (b) a person over the age of 60 years; or
- (c) a person who may be below the age of 60 years and has been medically boarded by his/her place of employment and not able to do another type of work;

“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 –
 - a condition of title;
 - a provision of a town planning or land use scheme; or
 - any legislation applicable to any specific property or properties.
- (b) any alleviation of any such restrictions;

“Person” includes an organ of state;

“Prescribe” means prescribed by regulation 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 Register” means a register of properties referred to in section 23 of the MPRA;

“Public Benefit Organization” means property own by a public benefit organisation and used for any specific public benefit 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 of the Income Tax Act,

“Public Service Infrastructure” PSI 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;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) 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;
- (i) any other publicly controlled infrastructure as may be prescribed; or

- (j) a right registered against immovable property 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 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 47 of 1937; or
 - (ii) the Mining Titles Registration Act 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” refers to a dwelling that is used exclusively for human habitation for residential purposes, but excludes hostels, flats, bed and breakfast establishments and any vacant land irrespective of its zoning or intended usage; or A unit registered in terms of the Sectional Titles Act, 95 of 1986, included in a valuation roll in terms of Section 48(2) (b) as residential, including any unit in the same sectional 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 unit for rate rebates, valuation reduction purposes and clearance application purposes).

“Sectional Titles Act” means the Sectional Titles Act, (Act No. 95 of 1986);

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

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

“Specified Public Benefit Activity” means an activity listed in item 1 (welfare), 5 (humanitarian), 2 (health care), and 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

“State Trust Land” means land owned by the state-

- (a) In trust for persons communally inhabiting the land in terms of a traditional
- (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

“Vacant Land” means land not in use, excluding farm properties not used for any purposes, where no immovable improvements have been erected.

8. IMPOSITION OF RATES

Rates are levied in accordance with Section 11 of the MPRA as an amount in the Rand based on the market value of the property as reflected in the municipality's General Valuation (GV) and any Supplementary Valuation (SV) roll.

8.2 CATEGORIES OF PROPERTY

Buffalo City Metropolitan Municipality intends to levy different rates for different categories of property.

The criteria used in determining the categories of property is based on the use of the property.

The following categories of property are created:

- Agricultural Properties
- Business/Commercial Properties (NB: including properties used for Game Farming and / or Eco-tourism)
- Educational Institutions
- Industrial Properties
- Public service infrastructure
- Residential Properties
- Vacant Land

8.4 CRITERIA FOR CATEGORISING AND RATING PROPERTIES USED FOR MULTIPLE PURPOSES

With regards to the categorizing and rating of property used for multiple purposes, Buffalo City Metropolitan Municipality (BCMM) will categorize such properties in terms of Section 9(2)(b) of the MPRA i.e. for a purpose corresponding with the dominant use of the property.

9. RATES RELIEF MEASURES RELATING TO CATEGORIES OF PROPERTY AND CATEGORIES OF OWNERS OF PROPERTY

The municipality may grant relief measures in terms of Section 15 of the MPRA, to some categories of property and categories of property owners.

The municipality may not grant relief in respect of the payment of rates other than by way of an exemption, a rebate or reduction provided for in this policy

The municipality will not grant relief in respect of the payment of rates to the owners of properties on an individual basis.

In determining the categories of owners identified for the purpose of relief measures, the following criteria were utilised:

- (a) The source of income of the owner of the property
- (b) The employment status of the owner of the property
- (c) Ownership of property
- (d) The extent of municipal services supplied.
- (e) Services provided to the community by Public Benefit organisation
- (f) The use of property.

The following categories of owners as defined in the Act, have been identified for the purpose of rates relief measures:

- (a) Pensioners
- (b) Disabled persons
- (c) Public benefit organisations and not for gain institutions
- (d) Municipal owned properties
- (e) Newly developed commercial and industrial properties

9.1 EXEMPTIONS

A. MUNICIPAL PROPERTY

In terms of Section 7(2)(a)(i) no rates will be levied on properties of which BCMM is the owner.

A lessee of a municipal owned property for the purpose of the MPRA is deemed to be the owner of the property. Council properties leased to third parties will therefore be rateable.

A buyer in the case of a property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer, will be deemed to be the owner and will be liable for the payment of rates.

B. RELIGIOUS ORGANISATIONS

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

A property registered in the name of a trust, society or institution established for the sole benefit of a religious community and used for the purpose of congregation will also qualify for exemption.

With the implementation of any general valuation (GV) religious organisations will be required to apply for such exemption and provide proof to the municipal valuer that their properties are still being used for religious purposes.

9.2 REBATES

A. PENSIONERS AND DISABLED PERSONS

In order to qualify for a rebate, a senior/retired person or disable property owner must meet the following requirements:

- (i) be the owner of a property categorized as residential
- (ii) occupy the property as his/her primary residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse and/or minor children must occupy the property.
- (iii) The *retired person* must be at least 60 years of age on 1 July of the financial year concerned

- (iv) If the *retired person* turns 60 during the financial year, the rebate will be granted on a pro rata basis from the date on which the applicant turns 60 or on which the application is received.
- (v) Must be in receipt of gross monthly income **(excluding medical contributions)** not exceeding R15,000.00 from all sources including income of spouse.
- (vi) Submit an application annually.
- (vii) The application form must be accompanied by the following supporting documents:
 - The applicant's most recent income tax return, plus
 - 3 months' bank statement
 - If a person does not have bank account, supply any proof that the municipality may require to confirm the level of income.
- (viii) *Disabled persons* must be in receipt of a disability grant/pension and submit proof thereof, e.g. letter from SASSA.
- (ix) In relation to relief sought under medical boarding, the applicant must produce a medical certificate from the pension fund indicating that the applicant is medically boarded. Doctors' and Hospital certificates/reports are not acceptable.

The rebate will be granted on a sliding scale based on the income levels and the percentage rebates determined by Council.

The percentage rebate granted to the different gross income levels are set out in the table below:

GROSS MONTHLY INCOME		REBATE
RAND		%
0	3 500	100
3 501	5 000	85
5 001	6 500	70
6 501	8 000	55
8 001	9 500	40
9 501	10 500	25
10 501	12 000	20
12 001	13 500	15
13 501	15 000	10

9.2.2 PUBLIC BENEFIT ORGANISATIONS AND NOT FOR GAIN INSTITUTIONS

In respect of Public Benefit Organisations and Not for Gain Institutions the following categories of properties owned by these institutions, Council may on receipt of an application, grant 100% rebate on rates:

- (x) Privately owned properties used exclusively as a home catering for persons with disabilities, a hospital, clinic, mental institution, frail care centre, orphanage, non-profit retirement schemes, old age homes or any other benevolent institutions, provided that any profits from the use of such properties are used entirely for the benefit of the institution.
- (xi) Properties owned by not for gain institutions that perform charitable work may qualify for a rebate.
- (xii) Properties registered in the name of private persons or organisations used exclusively for cemeteries and crematoriums.
- (xiii) Properties declared in terms of the Cultural Institutions Act, 29 of 1969 or the Cultural Institutions Act 66, of 1989.
- (xiv) Museums, libraries, art galleries and botanical gardens registered in the name of private persons and open to the public
- (xv) Properties registered in the name of a trustee or trustee of organisations defined in the Military Veterans Act 18 of 2011, or a similar organisation maintained for the welfare of war veterans and their families.
- (xvi) Properties owned and/or used by youth organisations for the promotion and development of the youth, e.g. boy scouts and girl guides
- (xvii) Properties owned or used by organisations, of which the exclusive aim is to protect birds, reptiles and other animals on a not for gain basis.
- (xviii) Properties declared as National. Provincial and Local Heritage sites and Historical monuments
- (xix) Sporting bodies

Applications must be submitted annually by 30 June preceding the start of the financial year for which relief is sought, failing which the rebate will lapse and will only be re-instated **subject to the availability of funds** with effect from the date of approval whether the property qualified for the relief before such approval.

Applications must be accompanied by a letter from the South African Revenue Services confirming that the organisation qualifies for exemption in terms of the Income Tax Act and a certified copy of the registration certificate as a non-profit organisation.

9.2.3 NEWLY DEVELOPED COMMERCIAL OR INDUSTRIAL PROPERTIES

Newly developed properties must meet the following requirements:

- The property must be categorized as commercial/industrial in the valuation roll.
- The market value of the developed property must be R50, 000,000.00 (Fifty Million Rand) or above on the municipality's valuation roll. (This requirement does not apply to East London Industrial Development zone property owners)
- The rebate will be phased in over a period of 5 years, from the effective date of the valuation of the improved property in the municipality's valuation roll as follows:

Year 1 – 50%

Year 2 – 40%

Year 3 – 30%

Year 4 – 20%

Year 5 – 10%, thereafter, full rates will be payable.

This rebate will not be applied retrospectively.

Application must be submitted in the financial within which the developed or improved property was revalued or a property category changed from vacant land to business/commercial or industrial in the municipality's valuation roll. No adjustments will be made for prior years.

9.2.4 GENERAL RELIEF

- A. To avoid fruitless and waste full expenditure, the municipality will not levy a rate on properties categorized as Public Service Infrastructure, with a market value of R50, 000 or less.
- B. The municipality may give a **discretionary rebate** of up to 75% taking into account the extent of services provided to some areas.

The percentage rebate per service not available will be as indicated in the table below:

SERVICES	% REBATE
Water	22.50
Electricity	15.00
Sewerage	15.00
Refuse	7.50
Constructed Roads	15.00
TOTAL REBATE	75.00

This rebate **will not** be granted on an **individual** basis or to property owners who **choose not** to use municipal services provided.

10. PROCEDURES

Applications will only be considered after an application on the prescribed form has been lodged with the Chief Financial Officer.

Applications must be made under oath.

Properties for which an application for rates relief is made must be used exclusively for the purpose that forms the basis for such application.

An application for rates relief must authorise the Municipality to inspect the property at any reasonable time to confirm compliance with the conditions of the relief. Where access is denied, the relief may be withheld or withdrawn if already effective.

The onus rests on the applicant to ensure that the application form and all supporting documents are lodged timeously.

The effective date of the relief granted will be the date from which the municipality approves the application, irrespective of whether the property qualified prior to this date.

The municipality reserves the right to refuse the rates relief if the details supplied in the application are incomplete, incorrect or false.

11. COMPETENCE AND CAPACITY TO IMPLEMENT

All staff must be aware of the provisions of this policy

All staff must be aware of the procedures contained in this policy

Supervisors/Managers/Directors must ensure compliance with this policy.

12. LIABILITY FOR AND RECOVERY OF RATES

- a) The registered or deemed owner of a property is liable for the payment of rates.
- b) In the case of joint owners, the owners are jointly and severally liable for the payment of rates.
- c) In the case of sectional title schemes the owner of the sectional title unit is liable for the payment of rates.
- d) A municipality may recover rates on a monthly or annual basis.
- e) Accounts for rates will specify the amount due for rates, the date on which the amount is payable, how the amount was calculated, and the market value of the property.
- f) If an amount due for rates is unpaid by the owner the municipality may, in terms of the provisions of section 28 & 29 of the MPRA, recover that amount due from a tenant or occupier, or agent.

13. SPECIAL RATING AREAS

The municipality may by resolution of the Council, determine special rating areas in terms of Section 22 of the MPRA.

14. CLEARANCE CERTIFICATES

Where the Municipality receives an application for a clearance certificate, rates will be adjusted prior to the implementation of a Supplementary Valuation (SV) under the following circumstances:

- a) Where a property has been valued by a Municipal Valuer in terms of Sections 78(1)(a), (b), (c), (d) and (g) – in pursuance of a Supplementary Valuation, BUT such valuation has not been authorized in the financial (billing) system

- b) Such valuation shall be authorized on the financial (billing) system and rates levied on the property in accordance to such valuation with effect from the date of the occurrence of the event, which caused the Supplementary Valuation to be conducted.
- c) Such adjusted rates amount, plus any estimated amounts payable in terms of Section 118 of the Municipal Systems Act and/or Section 89 of the Insolvency Act 24 of 1936, shall be deemed to be due and must be paid in full prior to the issuing of a clearance certificate in order to facilitate the transfer of property.
- d) Such valuations will be subject to review processes in terms of Section 78 (5) and any objections to such valuations may only be lodged once such a Supplementary Valuation roll is made public in terms of Section 49 of the MPRA.

15. ANNUAL REVIEW OF RATES POLICY

In terms of Section 5 of the MPRA, a municipal council must annually review, and if necessary, amend its rates policy.

A municipality must adopt by-laws to give effect to the implementation of its rates policy, in terms of Section 6 of the MPRA.