

# MAKHADO LOCAL MUNICIPALITY



## PROPERTY RATES POLICY, 2026/2027

(COUNCIL RESOLUTION A.46.28.05.26)

*Vision: "A dynamic hub for socio-economic development by 2050"*

*Mission: "To ensure effective utilization of economic resources to address socio-economic imperatives through mining, agriculture and tourism"*

### Values

1. Distinctiveness (Uniqueness, Excellence)
2. Progressiveness (Open Minded)
3. Dynamic (Energetic, Lively, Self-Motivated)
4. Culpability (Accountability and Responsibility)
5. Efficacy (Effectiveness and Efficiency)
6. Adeptness (Expertise and Proficiency)

### Seven (7) Strategic Objectives

1. Promote Community Participation and Environmental Welfare
2. Invest In Local Economy
3. Advance Spatial Planning
4. Invest in Human Capital
5. Good Governance and Administrative Excellence
6. Sound Financial Management and Viability
7. Accessible Basic and Infrastructure Services

**INDEX**

<b>1. LEGISLATIVE CONTEXT AND POLICY APPLICATION</b>	<b>0</b>
<b>2. DEFINITONS.....</b>	<b>4</b>
<b>IMPOSITION OF PROPERTY RATES</b>	<b>0</b>
<b>4. CATEGORIES OF RATEABLE PROPERTIES</b>	<b>4</b>
<b>5. CATEGORIES OF OWNERS</b>	<b>4</b>
<b>6. EXEMPTIONS,REBATES AND REDUCTIONS ON RATES.....</b>	<b>11</b>
<b>7. PHASING IN OF RATES.....</b>	<b>14</b>
<b>8. SPECIAL RATING AREAS</b>	<b>15</b>
<b>9. LIABILITY AND RECOVERY OF RATES</b>	<b>17</b>
<b>10. GENERAL VALUATION OF RATEABLE PROPERTY</b>	<b>17</b>
<b>11. METHOD AND TIME OF PAYMENT.....</b>	<b>17</b>
<b>12. RECOVERY OF RATES IN ARREARS.....</b>	<b>19</b>
<b>13 AGENTS.....</b>	<b>20</b>
<b>14 FREQUENCY OF VALUATION.....</b>	<b>20</b>
<b>15. COMMUNITY PARTICIPATION.....</b>	<b>21</b>
<b>16 REGISTER OF PROPERTIES.....</b>	<b>22</b>
<b>17. CORRECTIONS AND OMMISSIONS.....</b>	<b>22</b>
<b>18. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY.....</b>	<b>22</b>
<b>19. REGULAR REVIEW PROCESS.....</b>	<b>22</b>
<b>20. IMPLIMENTATION</b>	<b>23</b>
<b>21. DISCLAIMER</b>	<b>23</b>
<b>22. DELEGATED POWER.....</b>	<b>23</b>
<b>23. ANNEXURES (SUMMARY).....</b>	<b>23</b>

# **MAKHADO LOCAL MUNICIPALITY**

## **PROPERTY RATES POLICY**

### **1. LEGISLATIVE CONTEXT**

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
  - a. Section 2(1), may levy a rate on property in its area; and
  - b. Section 2(3), must exercise its power to levy a rate on property subject to-
    - i. Section 229 and any other applicable provisions of the Constitution;
    - ii. The provisions of the Property Rates Act and any regulations promulgated in terms thereof; and
    - iii. The rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1) (f) (ii) of the Local Government; Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 1.6 This policy must be read together with , and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.
- 1.7 Where this policy contradicts legislation, such legislation has preference over this policy. It is the explicit responsibility of the Municipal Manager to bring such conflicts immediately to the attention of the Council once he/ she becomes aware of such conflicts and to propose changes to this Policy to eliminate such conflicts.
- 1.8 This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Executive Committee and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.
- 1.9 The Council shall, as stipulated in Chapter 4 of the Municipal Systems Act and emphasized in the MFMA, provide measures for continuous consultation with the

community and other stakeholders in the development and ultimate adoption of this Property Rates Policy.

- 1.10 Council shall as part of each annual operating budget component, impose a rate in the rand on the market value of all rateable properties as recorded in the Municipality's Valuation Roll and Supplementary Valuation Rolls.
- 1.11 The Municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.
- 1.12 Rateable property shall include any rights registered against such property, with the exception of a mortgage bond, and shall further include property not yet registered at the South African Deeds Office but appearing on the maps of the Surveyor General.
- 1.13 All properties not yet surveyed will be required to make a flat rate contribution towards municipal infrastructure development at a rate determined by council from time to time.

## 2. DEFINITIONS

- 2.1 "**Act**" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 "**Agent**", in relation to the owner of a property, means a person appointed by the owner of the property-
  - fa) 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;
- 2.3 "**Agricultural property**"  
Means property that is used primarily for agricultural purposes but, without derogating from section 9, 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.
- 2.4 "**Agricultural purpose**" in relation to the use of a property, excludes the use (of a property for the purpose of eco-tourism or for the trading in or hunting of game);
- 2.5 "**Annually**" means once every financial year;
- 2.6 "**Bona fide farmers**" is a person that is fulltime farmer and if such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes;
- 2.7 "**Category**"
  - (a) in relation to property, means a category of properties determined in terms of Section 7 of this policy; and
  - (b) In relation to owners of properties, means a category of owners determined in terms of Section 8 of this policy.
- 2.8 "**Child-headed household**" means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.

- 2.9 **“Definitions, words and expressions”** as used in the Act are applicable to this policy document where ever it is used;
- 2.10 **“Grant- in-aid”** means an additional grant awarded to persons who are in receipt of an old age grant, disability grant or war veteran’s grant, and are unable to take care of themselves.
- 2.11 **“Government property” or “state- owned property”** means property owned and exclusively used by an organ of state, excluding farm properties used for residential or agricultural purposes or not in use;
- 2.12 **“Non-permitted use”** means any use of property that is inconsistent with or in contravention with the permitted use of that property in which event and without condoning the non-permitted use thereof, the property shall be valued as if it were used for such non-permitted purposes only;
- 2.13 **“Improvement”** means any building or structure on or under a property excluding-
- (i) a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon, and
  - (ii) buildings, structures and equipment or machinery referred to in Section 46 (3) of the Act;
- 2.14 **“Indigent”** means any household that is legally resident in the Country and reside in Makhado municipality jurisdictional area, who due to a *number of economic and social factors* is unable to pay Municipal basic services and registered as indigent in terms of the Indigent Management Policy of the Municipality;
- 2.15 **“Land tenure right”** means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991).
- 2.16 **“Land reform beneficiary”**, in relation to a property, means a person who -
- (a) acquired the property through -
    - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
    - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)
- 2.17 **“Place of worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for education instruction in which secular or religious education is the primary instructive medium: Provided that the property is-
- a) registered in the name of the 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.
- 2.18 **“Multi purposes”** in relation to a property, means the use of a property for more than one purpose, subject to subsection 9.
- 2.19 **“Office bearer”** in relation to places of public worship, means the primary person who officiates at services at that place of worship.

- 2.20 **“Official residence”** in relation to places of public worship, means :
- a) 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,
  - c) 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.
- 2.21 **“Public service infrastructure”** means publicly controlled infrastructure of the following kinds:
- a) national, provincial or other public roads on which goods , services or labour move across a municipal boundary;
  - b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
  - 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 pipe lines for gas or liquid fuels, forming part of a scheme for transport such fuels;
  - e) railways 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) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);
- 2.22 **“Public service purposes”** in relation to the use of a property, means property owned and used by an organ of the 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) court of law, but excludes property contemplated in the definition of public service infrastructure;
- 2.23 **“Ratio”** in relation to section 19, means the relationship between the cent amount 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 general application to all properties within a property category;

- 2.24 **"Residential property"** means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9.

## IMPOSITION OF PROPERTY RATES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 3.4 The rates policy for the municipality is based on the following principles:
- (a) Equity  
The municipality will treat all ratepayers with similar properties the same.
  - (b) Affordability  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
  - (c) Financial Sustainability  
Rating of property will be implemented in a way that:
    - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
    - ii. Supports local social economic development
  - (d) Cost efficiency  
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.
    - Poverty Alleviation
    - Encourage development of property in Makhado City
    -

**Note: All land refers to and includes Villages which are within enclosures of farms held in the name of the state of the Republic of South Africa (that is South African Development trust. The Valuation Roll will, therefore, not contain villages other than farms.**

- 3.2 Poverty alleviation and the burden of rates on the poor must be the primary consideration of the Council with the determination of the rate tariff. The Council should also consider the cost and maintenance of the services it's rendering to the community, as well as services that do not generate any income for the Council.

#### **4. CATEGORIES OF RATEABLE PROPERTIES**

- 4.1 In terms of Section 19 of the Municipal Property Rates Act, Act 6 of 2004, and the municipality will levy different rates for the different categories of rateable properties as set out below and such rates will be determined on an annual basis during the compilation of the annual budget. The categories of rateable properties are the following:

- 4.1.1 Residential properties;
- 4.1.2 Industrial properties;
- 4.1.2 Business and commercial properties;
- 4.1.3 Farm properties (including small holdings) used for:-
  - Agricultural purposes only;
  - Commercial and business purposes;  
Residential purposes;
  - Other purposes other than those specified above.
- 4.1.4 Municipal properties;
- 4.1.5 Public service infrastructure referred to in the Act
- 4.1.6 Properties owned by Public Benefit Societies;
- 4.1.7 Public Service Properties;

#### **State owned properties**

- 4.2 In determining the category of a property referred to in 4.1 the municipality shall take into consideration the following criteria or a combination thereof:-

- The formal zoning of the property;
- Township establishment approvals;
- The use of the property;
- Permitted use of the property; and

The municipal valuer will be responsible for the categorising of rateable properties and the maintenance thereof, and any change in the actual use of the property, may result in a change of categories.

- 4.2 In order to create certainty and to ensure consistency the criteria mentioned in 4.1 shall be applied as indicated below in order of priority and no deviation is permissible:-
- 4.3 Properties shall first of all be categorised in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.
- 4.4 If, for whatever reason, the status or zoning of a property cannot be determined in terms of the actual use shall then be determined in order to appropriately categorise such property.
- 4.5 All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.
- 4.6 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 4.3 cannot be applied. However, the geographical area as a criterion should not be used in isolation.
- 4.7 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 5.2 of this policy.
- 4.8 The Council will, in determining the category of a property, take into consideration the actual or permitted use of the property and the geographical area in which the property is situated.

## 5. CATEGORIES OF OWNERS

- 5.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 7, 8 and 9 respectively the following categories of owners of properties are determined:-
- (a) Indigent  
100% rebate will be granted to those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
- (b) Pensioner
- (i) The joint household income of the applicant if any, may not exceed R106,189.20 per annum for a financial year, which amount may be reviewed during the Municipality's annual budget process;
- (ii) The rateable property in question must be owned by the pensioner and may be occupied by only the applicant and his/her spouse, if any, and by dependents with no income, or by certain persons in specific circumstances at the discretion of the Chief Financial Officer. However, the rateable property excludes residential properties i.e. old age homes that are only occupied but not owned by the pensioners
- (iii) The application for remission for the financial year must be received before 30 June of the preceding year on a form (which will be made available for this purpose by the Chief Financial Officer) and the information furnished must be substantiated by an affidavit by the applicant.

NB: Applications sent by mail must reach the office on or before the closing date. The Municipality does not accept any responsibility/liability for postal items (including registered post) that do not reach us.

- (iv) The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally disabled person, proof of receipt of a social pension and/or, if no such pension is received, proof of certification by a Health Practitioner.
  - (v) The applicant's current account must be paid in full, or if not, an arrangement to pay the debt must be in place.
  - (vi) The property must be categorised as residential;
  - (vii) If the applicant complies in all respects with these conditions, the amount remitted will be credited on the account and will be included in the monthly levy.
  - (viii) This rebate is subject to the availability of funds in the applicable financial year.
- (d) Residential property owners  
Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget. This category of customers will be treated in terms of clause relating to exemptions of the policy;
- (e) Farm owners  
Owners of farm properties as referred to in clause relating to rebates

#### Child headed families

Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household. This category of customers will be treated in terms of clause relating to exemptions of this policy;

## 5.2 PROPERTIES USED FOR MULTIPLE PURPOSES

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

In accordance with the "permitted use of the property".

In accordance with the "dominant use of the property" if (a) cannot be applied;

or

In accordance with the "different uses" by apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

## 6. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

- 6.1 In terms of Section 15(1) of the Municipal Property Rates Act, Act 6 of 2004, the Municipality may:-

- 6.1.1. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- 6.1.2 Grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.
- 6.2 Determination of any possible exemptions, rebates or reductions will be considered annually as part of the budget process of the Municipality.
- 6.3 In determining any exemptions, rebates or reductions the Council shall consider:
  - 6.3.1 The financial sustainability of the municipality and the cost of services to be provided from assessment rates income;
  - 6.3.2 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.
  - 6.3.3 The need to accommodate indigents and less affluent pensioners.
  - 6.3.4 The services provided to the community by public service organisations.
  - 6.3.5 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.
  - 6.3.6 The need to preserve the cultural heritage of the local community.
  - 6.3.7 The need to encourage the expansion of public service infrastructure.
- 6.4 The municipal manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget component and in the annual financial statements and annual report, and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.
- 6.5 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's budget for that year as:-
  - 6.5.1 Income on the revenue side; and
  - 6.5.2 Expenditure on the expenditure side.
- 6.6 In terms of Section 17 of the Municipal Property Rates Act, Act 6 of 2004, the Municipality shall further grant the following exemptions from rates:
  - 6.6.1 The first R15 000 of the market value of residential properties and properties used for multiple purposes of which one or more components is used for residential purposes, where, in the case of residential properties, the properties referred to shall be vacant or improved properties and shall be

zoned as residential and where, in the case of properties used for multiple purposes and of which one or more components is used for residential purposes, the first R15 000 shall be applicable to the property as a whole, provided that one or more components of the property are used for residential purposes.

6.6.2 The first 30% of the market value of public service infrastructure where public service infrastructure refers to infrastructure such as public roads, railway lines, Telkom and similar communication networks, electricity networks and water infrastructure.

6.6.3 Protected areas, where these areas refer to nature reserves, botanical gardens or national parks provided that the specific area/s is declared as a "Protected area" in the Register or Protected Area to be compiled and updated by the Department of Environmental Affairs and Tourism.

6.6.4 Mineral rights, where mineral rights refer to structures under the surfaces of the earth related to mineral extraction.

6.6.5 Property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds (see also 6.2 below).

6.6.6 Properties registered in the name of and primarily used for religious purposes, including the official residence occupied by the officiating office bearer. The exclusion from rates shall lapse if the property:-

- is disposed of by the religious community owning it;
- is no longer used primarily as a place of worship by a religious community;
- referring to the official residence is no longer used as such an official residence.

When the exclusion from rates of the property used as an official residence lapses, the religious community owning the property becomes liable for the rates that would have been payable on the property during the period of one year preceding the date on which the exclusion lapses. The amount for which the religious community shall then become liable for, shall be regarded as rates in arrear and the applicable interest shall be levied and shall be payable to the municipality.

6.7 The following categories of owners are exempted from rates>

(a) Child headed families -

- i. Families headed by children are exempted from paying rates, according to monthly household income. To qualify for exemption the head of the family must:-
- ii. occupy the property as his/her normal residence;
- iii. not be older than 18 years of age;
- iv. still be a scholar or jobless; and
- v. be in receipt of a total monthly household income from all sources not exceeding an amount equal to twice the amount of two state pensions;

- vi. These applications must be made in terms of the in terms of the adopted indigent policy of the municipality.

(b) Indigent consumers -

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality.

Applications must be accompanied by-

- i. a certified copy of the identity document or any other proof of the applicant's age which is acceptable to the municipality;
- ii. sufficient proof of total household income; which must not exceed an amount equal to twice the amount of two state pensions;
- iii. an affidavit from the applicant;
- v. a Letter of Authority issued by a Court of Law if not the registered owner of the property

These applications must be made in terms of the in terms of the adopted indigent policy of the municipality.

The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

6.8 Impermissible Rates: In terms of section 17(1) of the Property Rates Act 17 the municipality may, inter alia, not levy a rate:-

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- (d) 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.

## 7. PHASING IN OF RATES

7.1 The rates to be levied on newly rateable property shall be phased in equally over a period of three financial years.

7.2 The rates to be levied on newly rateable property belonging to a land reform beneficiary or his or her heirs, shall be phased in over a period of three financial years, which three years shall commence after the exclusion period of ten years following the date on which the title was registered in the name of the beneficiary or his/her heirs at the Registrar of Deeds, has lapsed.

- 7.3 The rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities, shall be phased in equally over a period of four financial years.
- 7.4 The phasing-in discount on the above mentioned properties shall be as follows:-
- First year : 75% of the rate for that year otherwise applicable to the property;
  - Second year: 50% of the rate for that year otherwise applicable to the property; and
  - Third year : 25% of the rate for that year otherwise applicable to the property.
- 7.5 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. Thereafter, the phasing-in discount on these properties shall be as indicated in paragraph 6.4 above.

#### **c SPECIAL RATING AREAS**

- 8.1 The municipality may from time to time, as provided for in Section 22 (1) to (3) (d) of the Municipal Property Rates Act, Act 6 of 2004 and as to be depicted in its annual budget and by resolution of the Council, determine a certain area within the boundaries of the municipality, as a special rating area.
- 8.2 Before determining a special rating area, the municipality shall:
- consult the community on the proposed boundaries of the area;
  - inform the community regarding the proposed improvement or upgrading to be affected in the area; and
  - 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.
- 8.3 An additional rate, as will be depicted in the annual budget, shall be levied on the properties in the identified area, for the purpose of raising funds for improving or upgrading of the specified area.
- 8.4 The municipality may differentiate between categories of properties when levying the additional special rate.
- 8.5 The municipality shall establish separate accounting and other record-keeping systems for the identified area.
- 8.6 The municipality shall establish a committee, composed by representatives from the specific area, to act as a consultative and advisory forum. This committee shall be a sub-committee of the ward committee/s in the area. Gender representivity shall be taken into consideration with the establishment of the committee.

## **9. LIABILITY FOR AND RECOVERY OF RATES**

- 9.1 The owner of a property shall be liable for the payment of the rates levied on the property.
- 9.2 Joint owners of a property shall be jointly and severally liable for the payment of the rates levied on the property.
- 9.3 In the case where an agricultural property is owned by more than one owner in undivided shares and these undivided shares were allowed before the commencement date of the Subdivision of Agricultural Land Act, 1970, Act No. 70 of 1970, the municipality shall hold any joint owners only liable for that portion of rates levied on the property that represents that joint owner's undivided share in the property.
- 9.4 Rates levied on property in sectional title schemes, shall be payable by the owner of each unit.
- 9.5 Rates levied on property in sectional title schemes, where the Body Corporate is the owner of any specific sectional title unit, shall be payable by the Body Corporate.

## **10. GENERAL VALUATION OF RATEABLE PROPERTY**

- 10.1 The municipality shall prepare a new valuation roll every 5 (five) years and supplementary valuation rolls at least once per year
- 10.2 The first valuation roll prepared in terms of the Property Rates Act, Act 6 of 2004, shall take effect from the start of the financial year following completion of the public inspection period.
- 10.3 Inclusive additions as per the Municipal Property Rates Amendment Act of 2014, as per Gazette 37922 issued on 18 August 2014 but effective 1 July 2015

## **11. METHOD AND TIME OF PAYMENT**

- 11.1 The rates levied on the properties shall be payable:
- on a monthly basis; or
  - annually, as may be agreed to with the owner of the property.
  - The municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/tenant/occupant.
- 11.4 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 11.5 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property

concerned, interest on the unpaid portion of the adjusted rates payable shall be levied in terms of the municipality's Credit Control and Debt Collection Policy.

11.6 When levying rates, a municipality must levy the rate for a financial year, and this rate lapses at the end of the financial year for which it was levied:

- (a) The levying of rates must form part of a municipality's annual budget process, and at this time of its budget, review the amount in the Rand of its current rates in line with its annual budget for the next financial year.
- (b) A rate levied for a financial year may be increased during a financial year only when required in terms of a financial recovery plan (Section 28(6) of the MFMA).
- (c) A rate becomes payable as from the start of a financial year.

11.7 The municipality shall as part of each annual operating budget determine a rate in the rand for every category.

Rates are levied in accordance with the MPRA as an amount in the rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll.

Accounts to be furnished:

11.8 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-

- (i) the amount due for rates payable;
- (ii) the date on or before which the amount is payable;
- (iii) how the amount was calculated;
- (iv) the market value of the property; and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

11.9 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

11.10 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

## **12. RECOVERY OF RATES IN ARREAR**

### **12.1 Tenants and occupiers**

12.1.1 If the amount due for rates levied on a property is not paid by the owner by the due date shown on the account, the municipality shall recover the amount in full or partially, from a tenant or occupier of the property, after a written notice was served on the tenant or occupier.

12.1.2 The amount to be recovered in terms of paragraph 12.1.1 above is limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property.

12.1.3 Any amount recovered from the tenant or occupier of the property must be set off by the tenant or occupier against any money owned by the tenant or occupier to the owner.

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

### **13. AGENTS**

13.1 If the amount due for rates levied on a property is not paid by the owner by the due date shown on the account, the municipality shall recover the amount in full or partially, from the agent of the owner of the property, after a written notice was served on the agent.

13.1.2 The amount to be *recovered* in terms of paragraph 11.2.1 above is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

13.1.3 The agent must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any other money received by the agent on behalf of the owner during a period determined by the municipality.

### **14. FREQUENCY OF VALUATION**

14.1 The municipality shall prepare a new valuation roll every 5 (five) years, with the option to extend the validity of the valuation roll to 7 (seven) years with the approval of the MEC for Local Government and Housing in the province.

14.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained, but at least once a year.

### **15. COMMUNITY PARTICIPATION**

15.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:

15.1.1 Conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite *offices and libraries (and on the website)*.

15.2. Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection (property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a prescribed fee per copy). Property owners and interest persons are invited to submit written comments or

representations to the municipality within the specified period in the notice.

15.3 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.

## **16. REGISTER OF PROPERTIES**

16.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality.

16.2 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality

## **17. CORRECTION OF ERRORS AND OMISSIONS**

17.1 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

17.2 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

## **18. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY**

18.1 The municipality will adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

## **19. REGULAR REVIEW PROCESSES**

19.1 The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives is contained in the Integrated Development Plan and with legislation.

## **20. ENFORCEMENT/IMPLEMENTATION**

20.1 This policy has been approved by the municipality in terms of resolution A..... dated .... May 2026 and comes into effect 1 July 2026, following the process of community participation as stipulated in Chapter 4 of the Municipal Systems Act.

20.2 Rates will not be levied retrospectively.

20.3 This Policy shall be reviewed annually and shall remain valid until amended

**21 DISCLAIMER**

A rate cannot be challenged on the basis of non-compliance with the rates policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to apply the provisions of the rates policy, he/she may raise the matter with the Municipal Manager.

**22. DELEGATION OF POWER**

Save as otherwise provided in this Property Rates Policy, the Chief Financial Officer delegated by the Municipal Manager Officer of Makhado Local Municipality shall be empowered to apply and administer all powers pursuant thereto.

# **ANNEXURES**

## **23. ANNEXURE-A**

### **REBATES: REDUCTIONS AND EXEMPTIONS GRANTED BY THE MUNICIPALITY :**

#### **1. EXEMPTIONS :**

**Definition** - To be freed from an obligation, duty or liability to which others are subjected.

**Public Benefit Organizations** - The first R15, 000.00 will be exempted from property rates billing.

**Residential Properties\*** - The first R45, 000.00 will be exempted from property rates billing.

**Residential Properties** - Qualifying indigent and old aged property owners are 100% exempted from property rates billing.

**Public Service Infrastructure** - The first 30% of this infrastructure is exempted from property rates billing taking into account section 13 of the Amendment Municipal Property Rates Act which excludes specific public services infrastructure over a 5 year transitional period effective from 1 July 2015.

**Municipal owned Properties** - Municipal properties are 100% exempted from property rates billing.

**Public Worship Properties** - Public worship properties and their official residence are 100% exempted from property rates billing.

*\* Exemption on residential properties excludes vacant residential stands.*

#### **2. REDUCTIONS:**

**Definition** - The total value / percentage by which the rate for property rates billing is reduced.

**See clause 6 of this policy**

**3. REBATES:**

**Definition** - A percentage refund / discount on the total value / amount Charged / billed for property rates.


**Phasing - in Rebate** - 0 % of the total amount charged / billed for property rates.

**Business Properties** - The rebate on business properties will be determined annually by council.

**AUTHORIZED BY SIGNATURE**

I, THE UNDERSIGNED, CLLR GT MUKWEVHO MITILENI, SPEAKER, HEREBY CERTIFY THAT THIS PROPERTY RATES POLICY, 2026/27 IS AN EXTRACT AS FILED IN THE OFFICIAL AGENDA OF THE 640<sup>th</sup> EXECUTIVE COMMITTEE MEETING HELD ON 26 MAY 2026 AND APPROVED BY COUNCIL AT ITS 194<sup>th</sup> SPECIAL MEETING HELD ON 28 MAY 2026 UNDER COUNCIL RESOLUTION A.46.28.05.26.

  
.....  
CLLR GT MUKWEVHO MITILENI

  
.....  
DATE