



DRAFT REVIEW PROPERTY RATES POLICY

2022/2023



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BITOU LOCAL MUNICIPALITY

1. INTRODUCTION AND BACKGROUND

WHEREAS section 3 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004)

(Herein after called “The Act) determines that a municipality must adopt a rates policy in accordance to the determination of the Act and;

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 and;

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 powers 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;
 - (iii) The Rates Policy and;

In terms 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 and;

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.

The Council of the Municipality has elected to impose a rate in terms of the aforementioned legislation. Consequently, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

This Property Rates Policy (‘the Policy’) only applies to the rating of property valued in accordance with the MPRA and the applicable regulations; it does not regulate the process of property valuation and the approval of the valuation roll, which is governed by The Act.

The proposed property rates are to be levied in accordance with existing Council policies, the Local Government: Municipal Property Rates Act and the Local Government Municipal Finance Management Act. Property rates are levied as an amount in the rand based on the property value contained in the Bitou Municipality’s Valuation Roll.

In terms of Section 8 of the Local Government: Municipal Property Rates Act, the Municipality has chosen to differentiate between various categories of property and owners of property. The various categories of properties and owners are defined under section 5 and 7 of this Policy. Rebates and concessions will be granted to certain categories of property usage or certain property owners. The Municipality does not grant relief in lieu of the payment of rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction as provided for in the rates policy. The Rates Policy will be reviewed annually during the budget process to ensure compliance with applicable legislation. NOW THEREFORE the following policy on the levying of property rates is accepted.

2. DEFINITIONS

In addition to the definitions provided in the Local Government: Municipal Property Rates Act No. 6 of 2004, the following definitions apply for the purposes of the application of the Policy:

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

“**Agent**”, in relation to the owner of a property, means a person appointed by the owner of the property –

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

“**agricultural purpose**”, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game; and any portion thereof which is used for the hospitality and or accommodation of guests”

“**annually**” means once every financial year;

“**bona-fide farmers**” means a genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the Bitou municipal area, and is taxed by SARS as a bona-fide farmer.

“**business**” means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business

consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms. The category business includes accommodation establishments eg: Guest Houses and Bed and Breakfasts.

“category” –

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

“district management area” means a part of a district municipality, which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

“district municipality” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

“Nature Reserves, Eco-tourism properties, Conservation Areas, Open Space Zone III,” means land that is proclaimed in terms of the National Environmental Management: Protected Areas Act, 2003, Act 57 of 2003, or the National Environmental Management: Biodiversity Act, 2004, Act 10 of 2004.

“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 in terms of section 15 of the Act;

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

“household income” means the income accruing to all members of the household permanently residing at the address. It includes income of spouses;

“income tax act” means the Income Tax Act ,1962 (Act 58 of 1962)

“indigent person” means a person whose household income does not exceed the minimum household income as predetermined by the council;

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

(a) acquired the property through-

(i) the Provincial Land and Assistance Act,1993 (Act 126/1993); (ii) the Restitution of Land Rights Act, 1994 (act 22/1994);

(b) holds the property subject to the Communal Property Associations Act,1996 (Act 28 of 1996); or

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

“land tenure right” means an old order right or a new order right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No.112 of 1991)

“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.
 - (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.
- “local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;
- “market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- “MEC for Local Government”** means the member of the Executive Council of a province who is responsible for local government in that province;
- “mining”** means any operation or activity for extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002. (Act no 28 of 2002)
- “minister”** means the Cabinet member responsible for local government;
- “MPRA”** means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004)
- “multiple purposes”**, in relation to a property, means the use of a property for more than one purpose and cannot be assigned to a single category.
- “municipal council”** or **“council”** means a municipal council referred to in section 18 of the Municipal Structures Act;
- “Municipal Finance Management Act”** means the Local Government; Municipal Finance Management Act, 2003 (Act 56 /2003);
- “municipality”**— means the Bitou Municipality
- “municipal manager”** means a person appointed in terms of section 82 of the Municipal Structures Act;
- “municipal properties”** means those properties of which the municipality is the owner;
- “Municipal Systems Act”** means the Local Government: municipal Systems Act, 2000 (Act 32 /2000);
- “newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year (2004) preceding the date on which this Act took effect,(2 July 2005) excluding a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date;

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

“owner”—

- (a) in relation to 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; or
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation, 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) an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
 - (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
 - (viii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) any restrictions imposed by –
 - (i) a condition of title;
 - (ii) a provision of a town planning or land use scheme; or
 - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

“person” includes an organ of the state;

“place of public worship” means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium. Provided that the property is (a) registered in the name of the religious community, (b) registered in a trust for the sole benefit of the religious community, or (c) subject to a land tenure right.

“prime rate” means the prime rate of the bank where the primary account of the municipality is kept

“private open space” means any land in private ownership used primarily as a private site for play, rest or recreation without financial gain.

“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;

“property register” means a register of properties referred to in section 23 of the Act;

“protected area” means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act ,2003;

“public benefits organisation” means an organisation conducting specified public benefit activities as defined in the act and registered in terms of the Income Tax Act for tax reductions because of those activities.

“publicly controlled” means owned by or other wise under the control of an organ of the state, including-

- (d) a public entity listed in the Public Finance Management Act, (Act 1/1999)
- (e) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act

“public service infrastructure” means publicly controlled infrastructure as determined in terms of chapter 1 of the Local Government :Municipal Property Rates Act (Act 6/2004)

“public service purposes” in relation to the use of the property , means property owned and used by the organ of state and excludes property contemplated in the definition of public service infrastructure”

“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 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

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

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

“Residential property” means a property included in the valuation roll in terms of section 48(2)(b) of the Act (read with section 8) in respect of which the primary use or permitted use is for residential purposes;

“Sectional titles Act” means the Sectional Titles Act , 1986 (Act 95/1986)

“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 and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act:

“**Sport Clubs and fields**” means sport grounds and clubs used for the purpose of amateur and any social activities, which are connected with such sport.

“**State-owned properties**” means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties is classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide/ metro-wide service.
- (c) State properties that provide provincial/national service.

“**The Act**” means the Local Government Municipal Property Rates Act, 2004 (No. 6 of 2004).

“**Vacant land**” means land where no immovable improvements have been erected. Vacant land can be classified as follows:

(a) Residential vacant, means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3)) as residential vacant.

(b) Business vacant means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3)) as business vacant.

(c) Industrial vacant, means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8(3)) as industrial vacant.

(d) Agricultural Vacant, means a property included in the valuation roll in terms of section 8 (2) of the Act (read with section 8 (3)) as Agricultural vacant

3. POLICY PRINCIPLES

The rates policy will be based on the following principles:

- (a) Equity
- (b) Affordability
- (c) Sustainability
- (d) Cost efficiency

The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property as recorded in the municipality’s valuation roll or supplementary valuation roll. Rateable property shall include any rights registered against such property, with the exception of a mortgage bond.

The council pledges itself to limit each annual increase as far as possible to the increase in the consumer price index over the period preceding the financial year to which the increase relates,

The council shall, in imposing the rate for each financial year, take proper cognisance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad debts, equal at least 25% (twenty five percent) of the municipality's aggregate budgeted net revenues for the financial year concerned. By doing so, the municipality will ensure that its revenue base and the collect ability of its revenues remain sound.

4. IMPOSITION OF RATES

Rates are levied in accordance with Section 11 of the MPRA and is an amount in the Rand based on the market value and category as recorded in the valuation roll or supplementary valuation rolls and the tariff determined for the category in the budget of the Municipality.

5. CATEGORIES OF PROPERTY

5.1 The Council has resolved to levy different rates for different categories of property based on the use of the property concerned.

5.2 The municipality has identified the following categories of property in accordance with section 8 and 93A of the Act: -

- (a) residential properties;
- (b) business and commercial properties;
- (c) industrial properties;
- (d) public service infrastructure;
- (e) properties used for public benefit purposes;
- (f) agricultural properties;
- (g) properties owned by an organ of state and used for public service purposes;
- (h) Multiple use properties subject to section 9 of Municipal Property Rates Act.;
- (i) sport clubs
- (j) vacant land subcategorised into the following:
 - residential
 - business
 - private open space / private open place
 - agricultural
 - Industrial
 - public service infrastructure
 - State
 - Place of Worship

5.3 The category of Sport Club is a distinct category of property inserted in the valuation roll in terms of section 8 (3) of the Act.

6. Applying Different Levies for Different Categories of Properties

The rate charged as an amount-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the residential rate. The different ratios are as follows:

1.1	Properties (Residential to business ratio 1:2 maximum)		
1.1.1	Residential	Cent in rand	1:1
(i)	Vacant Land	Cent in rand	1:1.3
(ii)	Private open places	Cent in rand	1:1
1.1.2	Business and Commercial Properties	Cent in rand	1:1.67
(i)	Business: Vacant Land	Cent in rand	1:2
1.1.3	Industrial Properties	Cent in rand	1:1.67
(i)	Industrial: Vacant Land	Cent in rand	1:2
1.1.4	State Properties	Cent in rand	1:1.67
(i)	State Owned: Vacant Land	Cent in rand	1:2
1.1.5	Agricultural:	Cent in rand	1:0.25
(i)	Agricultural Vacant	Cent in rand	1:0.25
1.1.6	Other:		
(i)	Public benefit organisations	Cent in rand	1:0.25
(ii)	Sport Clubs/Fields not operating from municipal	Cent in rand	1:1
(iii)	Public Service Infrastructure	Cent in rand	1:0.25

7. CATEGORIES OF OWNERS

Criteria utilized in determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions are as follow:-

- (a) the income of the owner of the property;
- (b) market value of properties
- (c) the employment status of the owner of the property; and
- (d) use of the property.

The following categories of owners as defined in the MPRA or herein have been identified for the purpose of exemptions, rebates and reductions:

- (a) owners of residential properties with a market value lower than an amount determined by the municipality.

8. PROPERTIES USED FOR MULTIPLE PURPOSES

With regards to the categorising and rating of 'property used for multiple purposes' the Municipality will:

- (i) categorise such properties in terms of section 9(1)(c) of the MPRA, i.e. "as multiple purposes in terms of section 8(2)(i)"; and
- (ii) determine a rate in terms of section 9(2) of the MPRA, i.e. "(a) apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property

is used; and (b) applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments.”

9. MULTIPLE OWNERS

The Municipality will not split a municipal account as a result of multiple ownerships and will hold the owners jointly and severally liable for payment.

10. MUNICIPAL OWNED PROPERTIES

Subject to section 7 (2) of the MPRA, the municipality will not levy rates on properties of which the municipality is the owner.

11. EXEMPTIONS, REBATES AND REDUCTIONS

(a) In imposing the rate in the Rand for each annual operating budget component, the council shall grant the following exemptions, rebates and reductions to the categories of properties and categories of owners indicated, but the council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular annual budget so dictates.

(b) In determining whether a property forms part of a particular category indicated, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated, the permitted use (zoning) of the property shall determine into which category it falls.

Municipal properties shall include properties owned by municipal entities.

(c)The Council has considered the following factors for the purposes of granting exemptions, rebates and reductions:

- The need to accommodate indigent households
- The services provided to the community by public benefit organisations.
- Owners of residential properties with a market value lower than an amount determined by the municipality
- The requirements of the Property Rates Act no. 6 of 2004.

The municipal manager shall ensure that the revenue forgone in respect of the foregoing rebates etc. are appropriately disclosed in each annual operating budget component, in the annual financial statements and annual report as stipulated in section 15(3) &(4) of the act and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.

(d) Exemptions

The following categories of property are conditionally fully exempted from rates:

- (i) municipal properties
- (ii) municipal public infrastructure
- (iii) informal settlements
- (iv) museums
- (v) national monuments
- (vi) owners of residential properties with a market value lower than an amount determined by the municipality.
- (vii) a right registered against immovable property
- (viii) public benefit organisations uses their property for specific public benefit activities and listed in part 1 of the 9th schedule of the Income Tax Act, 1962 (Act 58 of 1962)

In addition to the provisions made in Section [7](2)(b) of the MPRA and the exclusions outlined in Section 17 of the MPRA, the Public Benefit Organisations and not-for-gain institutions or organisations may apply for the exemption of rates in respect of the following properties owned subject to producing a tax exemption certificate issued by the South African Revenue Service (SARS) as contemplated in Part 1 of the 9th schedule of the Income Tax Act, 1962 (Act 58 of 1962):

a) Welfare and humanitarian

Rateable property registered in the name of an institution or organisation, which, in the opinion of the council, performs welfare and humanitarian work as contemplated in the ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962).

Rateable property, registered in the name of a trustee or trustees or any organisation, which is maintained for the welfare of war veterans.

b) Conservation, environment and animal welfare:

Properties that is in the name if an organisation or institution, that is engaging in the conservation, rehabilitation or protection of the natural environment, including flora and fauna. Rateable property registered in the name of an institution or organisation, which has as its exclusive objective the protection of tame or wild animals or birds.

c) Education and development:

Rateable property registered in the name of an educational institution established, declared or registered by or under any law.

d) Health care:

Rateable property registered in the name of an institution or organisation which has as its exclusive objective is health care or counselling of terminally ill persons or persons with a severe physical or mental disability and persons affected with HIV/AIDS.

- e) Rateable property registered in the name of an institution or organisation which, in the opinion of the Council, performs charitable work;

Applications for Public Benefit organizations must reach the municipality before end October preceding the start of the new municipal financial year in which relief is sought. A tax exemption certificate issued by the South African Revenue Services(SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act ,1962 No 58 of 1962.The municipal manager or his nominee must approve all applications.

12. LIABILITY FOR RATES

A property rate is a debt in respect of taxation in terms of section 11 of the Prescription Act 68 of 1969, and the City can recover rates in arrear for a period of up to 30 years. The due date for payment of rates in terms of sections 26(2)(a) and (b) and 78(4) of the MPRA means the date reflected on a municipal invoice as the final date on which payment is due and payable.

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

Rates which are recovered on an annual or a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer and payable in full on or before the due date and interest will be charged on rates that are in arrears.

A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the ratepayer makes the necessary inquiries from the municipality to establish the amount due for the rates and to pay that amount. The lodging of an objection, a review or an appeal in terms of sections 50, 52 and 54 of the MPRA does not defer liability for the payment of rates.

The submission of an application for a rebate or exemption does not defer the liability of payment of rates beyond the due date. Any interest raised for non-payment or short payment prior to date of processing the application will be payable irrespective of whether the property/owner qualifies for the rebate/exemption or not.

In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for the settling the supplementary rates account.

13. IMPERMISSIBLE RATES

The municipality will not levy a rate on the properties mentioned in sections 17 of the MPRA.

14. COMPULSORY PHASING-IN OF CERTAIN RATES

Rates levied on newly rateable properties must be phased in over a period of three years, the MEC for local government may extend, on written request by the municipality, this period to a maximum of six financial years.

When extending a phasing-in period, the MEC must determine the minimum phasing– in discount on the rate payable during each financial year in the extended period.

15. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING IN OF RATES AND GRANTS-IN-LIEU OF RATES

1. During the budget process the Director: Financial Services must inform council of all the costs associated with the suggested exemptions, rebates, reductions, phasing in of rates and grants-in-lieu of rates.

2. Provisions must be made in the operating budget –

- for the full potential income associated with property rates; and
- for the full costs associated with exemptions, rebates, reductions, phasing in of rates and grants-in-lieu of rates.

3. Projections regarding revenue foregone for a financial year in relation to exemptions, rebates, reductions, exclusions, phasing – in etc. must be reflected in the council’s annual budget for that year.

4. A list of all exemptions, rebates, reductions, exclusions, phasing in etc. must be tabled before council as per the MPRA.

16. SPECIAL RATING AREA

The Council may by resolution from time to time determine special rating areas as envisaged in section 22 of the MPRA and levy additional rates on properties in areas for the purpose of raising funds as contemplated in the said section and the Council has adopted a By-law and policy to regulate the implementation of such special rating areas.

17. RATE INCREASES

1. The municipality shall consider increasing rates annually during the budget process taking into account the following criteria:

- Priorities of the municipality reflected in its Integrated Development Plan (IDP)
- The revenue needs of the municipality
- The need for management of rates shocks
- Affordability of rates to ratepayers

Rates increases will be used to finance the increase in operating costs of community and subsidised services.

Extraordinary expenditure not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an increase in property rates.

All increases in the property rates will be communicated to the local community in terms of the council's policy on community participation.

The Minister may, with the concurrence of the Minister of Finance and by notice in the Gazette, set an upper limit on the percentage by which rates on property categories or a rate on a specific category of properties may be increased; or the total revenue derived from rates on all property categories or a rate on a specific category of properties may be increased.

18. SUPPLEMENTARY VALUATION EFFECTIVE DATE

The effective date in respect of a supplementary valuation will be conducted in accordance with section 78 of the MPRA.

19. FREQUENCY OF VALUATIONS

The municipality shall prepare a new valuation roll every 4 (four) years and a supplementary valuation roll annually at least once a year.

20. DATE OF VALUATION

For the purposes of a general valuation a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.

The general valuation must reflect the market values of properties in accordance with market conditions which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act.

21. GENERAL BASIS OF VALUATION

The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

22. ENFORCEMENT / IMPLEMENTATION

This policy has been approved by Municipal Council on ... May 2022

23. SHORT TITLE

This policy is the **Property Rates Policy** for the **Bitou Local Municipality**

