CITY OF TSHWANE

PROPERTY RATES BY-LAWS

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

PREAMBLE

WHEREAS the Constitution of the Republic of South Africa, 1996, entitles municipalities to impose rates on property in their areas, subject to regulation in terms of national legislation;

AND WHEREAS the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;

AND WHEREAS there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities;

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

AND WHEREAS it is essential that municipalities exercise their power to impose rates within a statutory framework that not only enhances certainty, uniformity and simplicity across the nation, but also takes into account historical imbalances and the rates burden on the poor;

AND WHEREAS the Constitution and other legislation confers on the Municipality the power to regulate the exercise by municipalities of their fiscal powers; and

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

BE IT THEREFORE ENACTED by the City of Tshwane Metropolitan Municipality, as follows:

CHAPTER 1

1. Definitions

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

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

"category" means the category in relation to properties for the purpose of levying different rates, and category in relation to owners of properties for the purpose of granting exemptions, rebates and reductions;

"Constitution" means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), as amended;

"Credit Control and Debt Collection By-laws" means the Municipality's promulgated Credit Control and Debt Collection By-laws, as amended from time to time;

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

"non-permitted use" in relation to property, means any use of a property that is inconsistent with or in contravention with the permitted use of that property in which event and without condoning the non-permitted use thereof, the property shall be valued as if it were used for such non-permitted purposes only;

"improvement" means any building or structure on or under a property, but excludes –

(a) a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and

(b) any building, structure or equipment or machinery referred to in section 46(3) of the Local Government: Municipal Property Rates Act;

“independent school” means a private school registered or deemed to have been registered in terms of the South African Schools Act, No. 84 of 1996 and any applicable provincial law;

“indigent” means any household that is legally resident in the country and reside in the City of Tshwane’s jurisdictional area, who due to a number of economic and social factors are unable to pay municipal basic services, and is registered by the Municipality as such;

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

“municipal property” means any property rateable or non-rateable, owned by the Municipality;

“Municipality” means the City of Tshwane Metropolitan Municipality established by General Notice 6770 in *Provincial Gazette Extraordinary* 141 of 1 October 2000, as amended, in terms of the provisions of the Local Government: Municipal Structures Act;

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

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

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

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

“multiple purposes” in relation to property, means property that cannot be assigned to a single category due to the multiple use of such property in which event the property will be valued based on the apportionment of uses in accordance with the applicable category of the property in terms of this policy;

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

“pensioner” for purposes of this rates policy and eligibility for old age rebate, pensioner means any owner of rateable property who has reached the age of 60 years or more during the CoT’s financial year;

“permitted use” means the limited purposes for which the property may be used in terms of -

(i) a condition of title;

(ii) a provision of the CoT’s applicable Town Planning or Land Use Scheme as amended from time to time;

(iii) any legislation applicable to any specific property or properties; or

(iv) any alleviation of any such restriction;

“physically or mentally disabled” means a person who, owing to physical or mental disability, is unfit to obtain by virtue of any service, employment or profession the means needed to enable him or her to provide for his or her maintenance. (Social Assistance Act, No. 6 of 2004);

“property” means –

(i) immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person;

(ii) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(iii) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(iv) public service infrastructure;

“residential property” means a suite of rooms which form a living unit that is exclusively used for human habitation purposes only, or a multiple number of such units on a property, including old-age homes, retirement villages and life right schemes. But for purposes of this rates policy, this definition excludes hostels, communes, boarding and lodging undertakings, places of instruction, hotels, guesthouses, and any vacant land irrespective of its zoning or intended usage;

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

“vacant land” in relation to property, means –

(a) land on which no immovable improvements have been erected; or

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

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

CHAPTER 2

2. Categories

(1) Contents of Rates Policy

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

Categories of rateable property may be determined according to the actual use of the property, and if the property is not in use, the permitted use or zoning of the property, or the geographical area in which the property is situated.

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

(2) Categories of properties

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

(a) Residential properties
(b) Business and Commercial properties
(c) Industrial properties
(d) Municipal property (rateable)
(e) Municipal property (not rateable)
(f) State-owned properties

(g) Public Service Infrastructure
(h) Agricultural
(i) Agricultural vacant land
(j) Non-permitted use
(k) Multiple use properties
(l) Vacant land
(m) State Trust land

(3) Exemption of owners of properties

A municipality may in terms of the criteria as set out in its rates policy-

(a) exempt a specific category of owners of properties, or theowners of a specific category of properties, from payment of a rate levied on their property; or

(b) grant to a specific category of owners of properties, or the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.

(4) Categories of owners of properties

The City of Tshwane has determined in its rates policy, the following categories of owners of property:

(a) Indigents;
(b) Pensioners, physically and mentally disabled;
(c) Owners temporarily without income;
(d) Owners of residential properties;
(e) Land Reform beneficiaries;
(f) Sporting Bodies;
(g) Public Benefit Organisations.

CHAPTER 3

3. Liability for Rates

(1) The levying of rates on property will be effected in terms of the Municipality's Rates Policy as amended from time to time.

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

(3) Rates will be recovered monthly.

(4) If an amount due for rates on a property is unpaid by the owner of the property, the municipality may recover the amount from the tenant, occupier of the property or, the agent of the owner.

(5) Where the rates levied on a property are based on a supplementary valuation made in terms of section 78(1) of the Municipal Property Rates Act, 2004 such rate will be payable from the date contemplated in section 78(4) of the Municipal Property Rates Act,2004.

(6) Recovery of rates due will be in accordance with the Municipality's Credit Control and Debt Collection policy read together with the Credit Control and Debt Collection by-laws.

CHAPTER 4

4. General Valuation

(1) The municipality will undertake a general valuation of all rateable properties in its area of jurisdiction and a valuation roll be compiled triennially.

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

(3) The municipality will in accordance with section 79 of the Municipal Property Rates Act, make amendments regularly to the particulars on the valuation roll, only the electronic copy of the valuation roll is updated to incorporate such amendments, except those changes to the roll in circumstances where section 78 applies, which may only be effected through a supplementary valuation in accordance with the section.

CHAPTER 5

5. Name and commencement date

(1) These by-laws will be known as the **City of Tshwane: Property Rates By-laws.**

(2) These by-laws will come into effect on **1 July 2008.**