

SOL PLAATJE LOCAL MUNICIPALITY

PROPERTY RATES POLICY



POLICY REVIEW APPROVED ON THE
RESOLUTION NUMBER: C26/06/26



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SOL PLAATJE MUNICIPALITY

PROPERTY RATES POLICY

1. DEFINITIONS / INTERPRETATION

“Act”, means the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004 (abbreviated to “MPRA”;

“Council” means the highest legislative body of the Sol Plaatje Municipality as referred to in section 157 (1) of the Constitution and section 18 (3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

“date of valuation”, for the purposes of a general valuation, means the date to be determined by the municipality in terms of section 31 (1) of the Act, and the date on which the market conditions applied when determining the valuations in the General Valuation Roll;

“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;

“economic services”, means services for which the tariffs are fixed to recover the full costs of the service, like refuse and sewer services;

“market value”, in relation to a property, means the amount a property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

“municipality”, means the Sol Plaatje Municipality;

“trading services”, means services for which the tariffs are fixed to yield a trading profit, like electricity and water services;

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



2. PURPOSE OF POLICY

- 2.1. The purpose of this policy is to allow Council to exercise its power to impose rates within a statutory framework, with the aim to enhance certainty, uniformity and simplicity, taking into account the historical imbalances within communities, as well as the burden of rates on the poor.
- 2.2. As trustees on behalf of the local community, the Municipality shall adhere to its legislative and moral obligation to ensure it implements this policy to safeguard the monetary value and future service provision invested in property.

3. LEGAL FRAMEWORK

- 3.1. This policy has been compiled in accordance with: -
 - 3.1.1 Section 229 of the Constitution of the Republic of South Africa, giving the municipality power to value and rate property in its area of jurisdiction.
 - 3.1.2 The Municipal Property Rates Act, 6 of 2004.
 - 3.1.3 The Local Government: Municipal Finance Management Act 2003, hereinafter referred to as the “MFMA”; and
 - 3.1.4 The Local Government: Municipal Systems Act, 2000, hereinafter referred to as the “Systems Act”.
- 3.2 This policy shall be subject to the applicable legislation.
- 3.3 This policy shall 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, the Council and the Executive Mayor as well as between Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.
- 3.4 The Council shall, as stipulated in Chapter 4 of the Municipal Systems Act and section 22 of the MFMA, provide measures for continuous consultation with the community and other stakeholders in the development and ultimate adoption of this Property Rates Policy.
- 3.5 The Constitution entitles everyone to administrative action, which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.

The Promotion of Administrative Justice Act 3/2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote and efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.



This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.

The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

4. IMPOSITION OF PROPERTY RATES

4.1. Obligation:

- 4.1.1. 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 recorded in the municipality's valuation roll and supplementary valuation roll.
- 4.1.2. The Council pledges itself, subject to any applicable limitations by law, to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates and to any limitations imposed by National Treasury.
- 4.1.3. The Council shall, in imposing the rate for each financial year, take proper cognizance 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.

4.2. Policy principles

All ratepayers, in a specific category, as determined by Council from time to time, shall be treated equitably, as required by Section 3 (3) (a) of the Act;

- 4.2.1 Rates shall be raised in proportion to the improved value of the property.
- 4.2.2 The rates tariff shall be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated by trading and economic services and the amounts required to finance exemptions, rebates and reductions of rates as approved by Council from time to time.
- 4.2.3 Property rates shall not be used to subsidize trading services.



4.2.4 Exemptions, reductions and rebates should not unreasonably affect the income base of the municipality.

Therefore, pursuant to section 3 (3) (b) of the Act, it is the policy of the municipality, when –

- * levying different rates for different categories of properties;
- * exempting a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;
- * granting rebates;
- * increasing rates;

to apply the following criteria -

- * poverty alleviation
- * stimulation of industrial growth
- * promotion of tourism
- * creation of jobs
- * maintenance of agricultural activity
- * assist charity and other public benefit organizations
- * the consumer inflation index
- * this municipality's budgetary needs
- * this municipality's integrated development plan
- * amounts contributed by services

4.2.5 **Compliance with section 3 (3) (d) of the Act**

Pursuant to section 3 (3) (d) of the Act, it is the policy of the municipality to exercise its powers in terms of section 9 (1) of the Act in relation to properties used for multiple purposes by assigning a property use for multiple purposes to a category based on the purpose corresponding with the dominant use of the property where such dominant use is either Industrial / Commercial or Mining. Where the dominant use is any other, the property will be valued and rated using the apportionment in terms of section 9 (2) of the Act.

4.2.6 **Compliance with section 3 (3) (f) of the Act.**

Pursuant to section 3 (3) (f) of the Act, it is the policy of the municipality to provide indigent property owners as registered in terms of this municipality's indigents policy a rebate on their rates account.

4.2.7 **Compliance with section 3 (3) (h) of the Act.**

Pursuant to section 3 (3) (h) of the Act, it is the policy of the Municipality to, in addition to the exemption of the first 30% of value and the phasing



in as prescribed in the Act, to consider further rebates on public service infrastructure, taking into account the Integrated Development Plan (IDP) priorities and objectives. The quantification of such rebates is to be determined by the annual budgetary process.

4.2.8 **Compliance with section 3 (3) (i) of the Act.**

Pursuant to section 3 (3) (i) of the Act, it is the policy of the Municipality to promote the interests of social or economic development, or when competing with other municipalities for investment of a specific nature, to consider providing incentive rebates in order to attract such development or investment, provided such development or investment is quantifiably beneficial to the community and should not amount to unfair discrimination as contemplated in Chapter 2, section 9 of the Constitution.

4.2.8.1 The property will be offered an incentive rebate as a percentage against its rateable category. E.g. if a manufacturing plant is established on an industrial property and it is desirable, provides employment and boosts the local economy, a rebate (as a percentage) against the rating tariff for "Industrial Property" will be offered.

4.2.8.2 The extent of the incentive rebate offered by Sol Plaatje Municipality will be determined by the Municipal Manager and the Chief Financial Officer upon application by the interested party. The following criteria, in determining this percentage, will apply:

- Value of investment into the city
- Number of local jobs created
- Desirability of industry/commercial activity
- Location of property
- SPM budget availability

4.2.8.3 The maximum incentive rebate offered is 100 % and applies to property rates only.

4.2.8.4 Incentive rebates offered are only valid from date of completion of the development, and valuation of such development on the Supplementary Valuation Roll.

Such incentive rebate remains valid for the period for which it was offered and for as long as all municipal policies, by-laws, National and Provincial legislation is adhered to and as long as the property owner maintains their municipal account to the Municipality's satisfaction.



5. CATEGORIES OF PROPERTIES

In terms of Section 8 and in pursuant to section 3 (3) (c) of the Act, the municipality may levy different rates for the different categories of rateable properties as set out below.

Pursuant to section 3 (3) (c) of the Act, the Council will, in determining the category of a property, take into consideration the actual use of the property and the property shall be rated on such actual use. The categories include the following:

- 5.1 residential properties.
- 5.2 vacant residential properties.
- 5.3 industrial properties.
- 5.4 vacant industrial properties.
- 5.5 business commercial properties.
- 5.6 vacant business and commercial properties.
- 5.7 agricultural properties.
- 5.8 Mining properties.
- 5.9 properties owned by an organ of state and used for public service purposes.
- 5.10 Public Service Infrastructure properties.
- 5.11 Private Service Infrastructure
- 5.12 Properties owned by public benefit organizations and used for specified public benefit activities.
- 5.13 Place of Public Worship.
- 5.14 Private Open Space.
- 5.15 Property owned by the Municipality and used for municipal purposes in service delivery.
- 5.16 Sports grounds and facilities used and operated for gain.

6. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

In terms of Section 15(1) of the Act, the Municipality may: -

- i. 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



- ii. Grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate or a reduction in the rates payable in respect of their properties.

Determination of any possible exemptions, rebates or reduction will be considered annually as part of the budget process of the Municipality. As a guide in determining the possible exemptions, rebates or reductions, the following will be considered:

6.1 **Exemptions**

- 6.1.1 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.
- 6.1.2 Public benefit activities (welfare and humanitarian)
 - (i) Rateable property registered in the name of an institution or organization that performs welfare and humanitarian work as contemplated in the ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962) which is not operated for gain.
 - (ii) Rateable property, registered in the name of a trustee or any organization, which is maintained for the welfare of war veterans which is not operated for gain.
- 6.1.3 Public benefit activities (cultural)
 - (i) Rateable property registered in the name of Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers and similar organizations which is not operated for gain.
 - (ii) Rateable properties registered in the name of the organizations that are involved in the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries which is not operated for gain.
- 6.1.4 Public benefit activities (sport)
 - (i) Rateable properties used for the purpose of amateur and social activities, which are connected with such sport which is not operated for gain.
- 6.1.5 Rateable properties used for public benefit activities (conservation, environment and animal welfare)



- (i) Properties that are in the name of an organisation or institution that is engaged in the conservation, rehabilitation or protection of the natural environment, including flora and fauna which is not operated for gain.
- (ii) Rateable property registered in the name of an institution or organisation that has as its exclusive objective the protection of tame or wild animals or birds which is not operated for gain.

Public benefit activities (health care)

- 6.1.6 Rateable property registered in the name of an institution or organisation which has as its exclusive objective health care or counselling for terminally ill persons or persons with a severe physical or mental disability and persons affected by HIV/ AIDS which is not operated for gain.
- 6.1.7 Public benefit activity (agricultural)
 - (i) Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain.
- 6.1.8 Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work.
- 6.1.9 Road reserves are exempted from payment of rates in accordance with Act No. 7 of 1998 on Road Agencies.
- 6.1.10 At least 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 purpose and of which one or more components is used for residential purposes.
- 6.1.11 As a caution to the possible infringement of section 16 (1) of the MPRA, as well as in recognition of the regulated tariffs for public service infrastructure affecting the feasibility of charging rates on the sector, it is the policy of this municipality to charge a zero rate to all public service infrastructure, including private service infrastructure.
- 6.1.12 Land Reform Beneficiaries for ten years from the date the beneficiary's title was registered or upon alienation of the property.



6.2 **Rebates**

Rebates for the following categories of properties and/or owners of properties being utilized for the intended purpose will be considered.

6.2.1 The following owners may be granted a rebate on or a reduction in the rates payable on their property if they meet all the following criteria:

Pensioners: Registered property owners who are pensioners may apply for a rates rebate, subject to meeting the qualifying criteria outlined below. The application must be submitted to the Council along with the required supporting documentation.

- Registered owner of the property or must have a registered right of usufructs on the whole property;
- Must be at least 60 years old on the 1st of July in the financial year concerned.
- Must reside on the property.
- May not own more than one property nationally.
- Only owners of a property with a rating category "Residential"
- Total gross household income must not exceed an amount annually set by the Council

Disabled Property Owners: Registered property owners who are permanently disabled may apply for a rates rebate, subject to meeting the qualifying criteria. The application must be submitted to the Council along with the required supporting documentation

- Registered owner of the property or must have a registered right of usufructs on the whole property.
- The applicant must provide valid proof of permanent disability, which may include:
 - A medical certificate from a registered medical practitioner confirming the nature and permanence of the disability; or
 - A disability grant confirmation from the South African Social Security Agency (SASSA) or another recognised authority.
- Total gross household income must not exceed an amount annually set by the Council
- May not own more than one property nationally.
- Only owners of a property with a rating category "Residential".



Applications for the rebate must be submitted before 30 June (unless as part of an indigent application).

- Late applications may be considered in terms of this policy and granted pro-rata from the date of the successful application.
- The rebate will only take effect the month after the application.
- The Council reserves the right to conduct periodic reviews and verifications to ensure continued compliance with these criteria.

The rebate will lapse -

- a) on the death of the applicant if the applicant owns 100% of the property.
- b) on the date of transfer of the property.
- c) when the applicant ceases to reside permanently in the property.
- d) when the primary property undergoes a category change and no longer meets the qualifying criteria for relief

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from date of inception of the rebate

6.2.2 Municipal property and usage

- (i) A pro-rata rebate will be granted where the municipality is engaged in land sales transactions that have taken place after the financial year has started.
- (ii) Where the municipality registers a road reserve or servitude on a privately-owned property a pro rata rebate equal to the rates calculated on the value of the reserve or servitude will be given to the owner of the property.

6.2.3 Properties in rural areas, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipal Spatial Development Framework, which are used only for industrial, commercial, mining and/or residential purposes and where no municipal services (water, electricity, sanitation, refuse removal) are available. This excludes properties used as Solar Farms or the portions thereof.

6.2.4 Properties used for bona fide agricultural purposes with the property owner deriving his principal source of income from produce of the land.

6.2.5 Properties that include crèches and guest houses will qualify for a rebate to enable the promotion of small business enterprises.



- 6.2.6 Schools registered as Independent Schools in terms of the South African Schools Act, 84 of 1996.
- 6.2.7 Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff.
- 6.2.8 All categories of properties as listed in paragraph 5 may be subject to a rebate. Such rebate shall be considered as part of the budgetary process envisioned in the MFMA and must be determined per any criteria set down in this Policy.
- 6.2.9 Categories of properties or categories of owners of properties who may qualify for a rebate as determined in the Municipality's budget from time to time may apply for such rebate. Any properties or their owners qualifying for such will receive said rebate from the date of approval of application of such. The responsibility of applying for a rebate rests with the property owner or accountholder.

6.3 **Elements to be considered**

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 the assessment of the 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 service which they produce.
- 6.3.3 The need to accommodate indigents, the disabled, and pensioners.
- 6.3.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities.
- 6.3.5 The need to preserve the cultural heritage of the local community.
- 6.3.6 The need to encourage the expansion of public service infrastructure.
- 6.3.7 The contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.
- 6.3.8 The number of services provided by the Municipality in a particular area.



6.4 Budget Year:

All exemptions, rebates and reductions projected in a financial year must be reflected in the municipality's budget for that year.

6.5 Local, social and economic development

The municipality may grant rebates to organizations that promote local, social and economic development as referred to in paragraphs 4.2.8 and 19 of this policy.

7. SPECIAL RATING AREAS

The municipality may from time to time, as provided for in Section 22 of the Act, 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. NATURAL AND OTHER DISASTERS

Properties affected by a natural disaster, as defined in terms of the Disaster Management Act 16 of 2015, may qualify for relief by way of a temporary rates rebate. Such relief will be determined by Council from time to time according to its tariffs.



9. CROSS BORDER PROPERTIES

In terms of the Constitution, specifically section 229 (3) and further described in the Local Government: Municipal Fiscal Powers and Functions Act, No 12 of 2007, when two municipalities have the same fiscal powers and functions with regard to the same area, an appropriate division of those powers and functions must be made in terms of national legislation. The division may be made only after taking into account at least the following criteria: -

- (a) The need to comply with sound principles of taxation.
- (b) The powers and functions performed by each municipality.
- (c) The fiscal capacity of each municipality.
- (d) The effectiveness and efficiency of raising taxes, levies and duties.
- (e) Equity.

In addition to the above, the following criteria will apply:

9.1 Where the bulk of the property is located within the Sol Plaatje Municipal boundary (i.e. 50% or more), the whole of the property will be deemed to be within the Sol Plaatje Municipal boundary, will be valued accordingly and will be included in the General Valuation Roll.

9.2 Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff.

9.3 Where properties are so affected, the relevant adjacent Local Authority and the respective owners will be notified in writing of this condition.

10. DECEASED ESTATES

According to the MPRA as well as section 24 of the Act an "Owner", 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; 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:

(ii) “an executor or administrator, in the case of a property in a deceased estate”
Section 24: “A rate levied by a municipality on a property must be paid by the owner of the property”. (Authorised person)

Therefore, an executor or administrator is deemed the owner of the property upon receipt of a letter of authority from the Master of the Court authorising such. Upon receiving the letter of Authority, the “owner” has the responsibility to timeously inform Rates and Enquiries section. Property rates will then be billed to this “owner” from the date of the letter of authority from the Master of the High Court. The letter of authority date will deem as the day of rates being levied on the account and all other payments made prior to the deceased account for reconciliation.

11. LIABILITY FOR AND RECOVERY OF RATES

The MPRA and the Municipality’s Credit Control and Debt Collection Policy applies.

The lodging of an objection or appeal does not defer liability for the payment of rates beyond the date determined for payment

12. SECTIONAL TITLES

A rate on property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme and not on the property as a whole.

As per SECTIONAL TITLES ACT 95 OF 1986 Section 15B Registration of transfer of ownership and other rights - The registrar shall not register a transfer of a unit or of an undivided share therein, unless there is produced to him a conveyancer's certificate. The conveyancer's certificate must be submitted to Sol Plaatje Municipality, Rates Department before rates clearance certificates will be issued on sectional title units.

13. OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL AFTER THE EXPIRY OF THE PRESCRIBED PERIOD

13.1 Where an authorised person submits an objection to the valuation of a property in a General or Supplementary Valuation Roll, and such objection does not fall within the allowed for prescribed period, the following is required to accompany such objection:



- 13.1.1 A valuation certificate from a Professional Valuer or a Professional Associate Valuer, registered with the South African Council of Property Valuers Profession.
- 13.1.2 All accompanying documentation as the Municipal Valuer may deem necessary in the resolution of the matter.
- 13.1.3 Depending on the complexity of the objection and the type of property, the Municipal Valuer may insist on the provision of a Valuation Report stemming from the certificate contemplated in paragraph 13.1.1.

13.2 The provisions of section 78 (4) of the MPRA apply strictly in the case of any amendments to the General Valuation Roll.

14. METHOD AND TIME OF PAYMENT

14.1 The rates levied on the properties shall be due and payable:

- 14.1.1 on a monthly basis; or
- 14.1.2 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/ occupants/ agent;

15. CLEARANCE CERTIFICATES

Software and System Details

The municipality will make use of an electronic Rates Clearance System.

The system will provide a secure electronic link between the Conveyancing Attorneys and Municipality.

Audit and Legislation Compliance Process

All monies collected by the Municipality and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1) (a) of the Systems or Section 89 of the Insolvency Act, (Act 24 of 1936), are for



the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

15.1 All rates clearance applications must contain as many as possible of the following contact options for the buyers;

15.1.1 The buyer's cell phone number

15.1.2 The buyer's e-mail address

15.1.3 The buyer's work and/or home address

All rates clearance applications must contain the correct postal address of the buyer. Should the application be incomplete, the application will be rejected by Council.

15.2 Rates clearance figures will be calculated for the current month of application and 90 days in advance. This figure will contain rates, services, surcharges and any other amounts that may become payable or in arrears with regards to the development, subdivided erf or sectional title unit.

15.3 Outstanding services of tenants may only be recovered for a maximum period of two years if a request is lodged for a Section 118 (3) of the Municipal Systems Act (32 of 2000) Clearance Certificate. If this is done the conveyancer, seller and buyer of the property must be informed that the remaining debt will remain on the property

15.4 The clearance certificate will be valid for 90 days

15.5 Extension on a clearance certificate will be granted, if all services are paid in advance for another 30 days

15.6 Only electronic Rates Clearance Applications will be accepted

15.7 Confirmation of registration and final meter reading date must be captured by the Attorneys on the Rates Clearance System or via e-mail

15.8 Pro-rata rates will be calculated by the conveyancer and not the Municipality for rates payable by the buyer.

16. RECOVERY OF RATES IN ARREARS

16.1 Credit Control and Collection

Where applicable, credit control and debt collection will be applied, in accordance with the approved Customer Services, Credit Control and Debt Collection Policy of the Council, for any outstanding amounts.

16.2 Supplementary Valuation Debits



In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the immediate predecessor in title, as well as the new owner, will jointly and severally be held responsible for settling the interim account.

16.3 Ownership

Properties, which vest in the Municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer.

16.4 Rebate for indigent debtors

The rebate is as determined by the Municipality's policy on indigent debtors.

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 person 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 deemed 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. DIFFERENTIAL RATES

- 18.1 Differential rates will be applied on categories of properties as contemplated in Section 8 of the Act and as listed in paragraph 4 of this policy.
- 18.2 Different categories of properties may pay different rates in the rand based on the market value of the properties.
- 18.3 In order to account for categories of properties, categories of owners, and exemptions, rebates and reductions, as well as whether these are annual or monthly payers, a list of categories for the purpose of charging correct tariffs on the financial system is annexed hereto and must be reviewed annually along with this Policy.



19. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS AND PHASING IN OF RATES

- 19.1 During the budget process the accounting officer must inform Council of all costs associated with suggested exemptions, rebates, reductions and phasing in of rates and account for these in terms of sections 15 (3) and (4) of the Act

20. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

- 20.1 The municipality may grant rebates to organisations that promote local, social and economic development in its area of jurisdiction.
- 20.2 The Municipality's LED Unit must validate the qualification for the continued application of the rebate and the said rebates must be phased- out within 3 years from the date that the rebate was granted for the first time.
- 20.3 Rebates will be restricted to a percentage determined by Council from time to time.

21. REGISTER OF PROPERTIES

- 21.1 The Accounting Officer must ensure that a register of properties is drawn up and maintained as contemplated in section 23 of the Act.

22. NOTIFICATION OF RATES

- 22.1 A notice stating the date on which the new rates shall become operational as resolved by Council must be displayed and publicised by the Municipality.
- 22.2 This is to be aligned with the annual budgetary process and shall be subject to the same obligations as contemplated in the MFMA.

23. COMMENCEMENT AND PERIOD OF RATES

This policy takes effect on the 1st of July 2026.



Annexure A - CATEGORIES OF PROPERTIES

Categories of Property	Description	Abbreviation	Rebate / Exemption Y/N
Residential	Improved property with the dominant use or zoning for residential purposes	RES	Yes
Vacant Residential	Unimproved property zoned for residential purposes and only if less than 50% of the improvements are completed	RESV	Yes
Industrial	Improved property with the dominant use or zoning for industrial purposes	IND	No
Vacant Industrial	Unimproved property zoned for industrial purposes and only if less than 50% of the improvements are completed	INDV	No
Commercial	Improved property with the dominant use or zoning for commercial or business purposes.	COM	No
Vacant Commercial	Unimproved property zoned for commercial or business purposes and only if less than 50% of the improvements are completed	COMV	No
Agricultural	Property that is used primarily for agricultural purposes but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game.	AGR	Yes
Mining	Properties used for or zoned for mining purposes. Any building, other immovable structure and infrastructure above the surface of the mining property required for the purposes of mining will be included (Refer to Section (17)(f) and Section 46(2) and (3) of the act)	MNG	No
Public Service Properties	Properties owned by an organ of state and used for public service purposes	PSP	No



Public Service Infrastructure	Publicly controlled infrastructure as stated in the definition thereof in the Act	PSI	Yes
Private Service Infrastructure	Privately owned and controlled infrastructure which does not vest in the Council or other public authority.	TSI	Yes
Public Benefit Activities	Properties owned by public benefit organisations and used for specified public benefit activities	PBA	Yes
Private Open Space	Private open space includes recreational, security and or parks/green areas owned by a private entity, to which the general public has no right of access	POS	No
Municipal Owned Property	Property which is owned by the Municipality and not operated for gain	MUN	Full
Sports Fields	Sports grounds and facilities used and operated for gain. This includes offices, shops etc. supporting such purpose	SPRT	Yes

Annexure B – CATEGORIES OF OWNERS

Categories of Owners	Description	Abbreviation	Rebate Yes/No
Pensioners	Per paragraph 6.2.1	RESP	Yes
Indigents	Per paragraph 6.2.1 and the Indigent Management Policy	RESI	Yes
Disabled	Per paragraph 6.2.1	RESD	Yes
Agricultural Organisations	Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain. Per paragraph 6.1.7	AGO	Yes
Charities	Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work. Per paragraph 6.1.8	CPROP	Yes



Land Beneficiary	Reform This is a category of owner who is exempt from paying rates in terms of 17(1)(g) of the Act	LRB	No
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Annexure C – REBATE PROPERTIES

REBATE PROPERTIES			
Categories of Properties and Owners	Description	Abbreviation	Rebate
Incentive Schemes	Undeveloped property which is identified as desirable for improvement by the Municipality for a particular use and industry and which will provide economic stimulus and employment.	COMIS INDIS RESIS	Yes
Agricultural	Properties used for bona fide agricultural purposes with the property owner deriving his principle source of income from produce of the land but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game.	AGRBF	Yes
Pensioners	Per paragraph 6.2.1	RESP	Yes
Indigents	Per paragraph 6.2.1 and the Indigent Management Policy	RESI	Yes
Disabled	Per paragraph 6.2.1	RESD	Yes
Rural Residential	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for residential purposes (e.g. golf estates, informal villages) and where no municipal services are available. Per paragraph 6.2.3	REST	Yes
Rural Commercial	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for business purposes (e.g. Farming Co-ops etc.) and where no municipal services are available. Per paragraph 6.2.3	COMT	Yes
Rural Industrial	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for industrial purposes (e.g. Farming Co-ops etc.) and where no municipal	INDT	Yes



	services are available. Per paragraph 6.2.3		
Rural Mining	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan	MNGT	
Consent Use – Guest House	Temporary accommodation including the serving of meals to patrons, with a maximum length of stay by the guest of 3 months, and as further defined by the Residential Business, Bed & Breakfast, Crèches, Childcare Centre, Liquor Trading and Car Wash By-laws as promulgated by Government Gazette Notice 126 of 2013.	COMG	Yes
Consent Use – Crèche and Childcare Centre	Premises used to accommodate children, and does not fall under the definition of public benefit activities, and as further defined by the Residential Business, Bed & Breakfast, Crèches, Childcare Centre, Liquor Trading and Car Wash By-laws as promulgated by Government Gazette Notice 126 of 2013.	COMC	Yes
Independent Schools	These are Schools registered as Independent Schools in terms of the South African Schools Act, 84 of 1996.	COMI	Yes
Cross-Border Properties	Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff.	AGRCB	Yes



Annexure D – EXEMPTIONS

Categories of Properties and Owners	Description	Abbreviation	Partial/ Full
Residential	The first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of the category “Residential” or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes	Various	Partial
Place of Worship	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 registered in the name of the religious community, trust established for the sole benefit of a religious community or subject to a land tenure right	POW	Full
Public Service Infrastructure	The first 30 % of market value and subject to section 17 (a) of the Act	PSI	Partial
Private Service Infrastructure	Privately controlled infrastructure	TSI	Full
Municipal Owned Property	Property which is owned by the Municipality used for the purposes of service delivery	MUN	Full
Agricultural Organisations	Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain.	AGO	Full
Charities	Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work.	CPROP	Full
Public Benefit Activities	Properties owned by public benefit organisations and used for specified public benefit activities	PBA	Full
Land Reform Beneficiary	This is a category of owner who is exempt from paying rates in terms of	LRB	Full



	17(1)(g) of the Act for ten years or if they sell the property		
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Annexure E – PRESCRIBED AND POLICY RATES RATIOS

PRESCRIBED RATIOS

These ratios may not be exceeded when determining rates tariffs

Category	Ratio in relation to residential property
Residential Property	1 : 1
Agricultural Property	1 : 0.25
Public Service Infrastructure	1 : 0.25
Public Benefit Organisation Property	1 : 0.25

POLICY RATIOS

These ratios are determined by the Municipality in addition to the prescribed ratios and must be reviewed annually taking into account the criteria set for determining rates tariffs.

Category	Proposed Ratio in relation to residential rate
Residential Property	1
Vacant Residential Property	1.5
Industrial Property	3
Vacant Industrial	3.5
Business and Commercial Property	3
Vacant Business and Commercial Property	3.5
Agricultural Property	0.25
Mining Property	6
Public Service Property	4.1
Public Service Infrastructure	0
Private Service Infrastructure	0
Public Benefit Activity Property	0
Private Open Space	1
Place of Worship	0
Land Reform Beneficiary	0
Municipal	0
Sports Fields	0



Annexure F – PENSIONER REBATE APPLICATION FORM