

THE VENTERSDORP LOCAL MUNICIPALITY



PROPERTY RATES BY-LAW

PREAMBLE

- (1) The Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Property Rates Act, Act 6 of 2004 (hereinafter referred to as “the MPRA”), empowers the Ventersdorp Local Municipality (hereinafter referred to as “the VLM”) to impose rates on property.
- (2) In terms of section 4(1)(c) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as “the Systems Act”), the VLM may, inter alia, levy rates on property to finance operational expenditure of the VLM.
- (3) In terms of section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as “the MFMA”), the Municipal Manager of the VLM appointed in terms of section 82 of the Local Government: Municipal Structures Act, Act, 117 of 1998 (hereinafter referred to as “the Structures Act”), must, in his capacity as the accounting officer of the VLM, ensure that the VLM has and implements a rates policy and further gives effect to such policy by adopting a by-law in terms of the provisions of section 6 of the MPRA.
- (4) The VLM has adopted a rates policy as contemplated above.
- (5) This by-law is adopted in order to give effect to the implementation of the Rates Policy of the VLM.

THE VENTERSDORP LOCAL MUNICIPALITY: PROPERTY RATES BY-LAW

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTORY PROVISIONS

ITEM NO.	ITEM	PAGE NO.
1.	DEFINITIONS	5
2.	THE RATES POLICY ADOPTED BY THE VLM	10
3.	OBJECTIVE OF THE BY-LAW	10
4.	TITLE AND APPLICATION OF THE BY-LAW	10
5.	COMMENCEMENT AND VALIDITY	10
6.	RESPONSIBLE AUTHORITY	10

CHAPTER 2: RATING PRINCIPLES AND CATEGORIES OF PROPERTY

7.	OPERATIONAL BACKGROUND AND PRINCIPLES	11
8.	CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES	12

CHAPTER 3: EXEMPTIONS, REDUCTIONS AND REBATES

9.	CATEGORIES OF PROPERTY OWNERS FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES	13
----	--	----

CHAPTER 4: GENERAL

10.	FURTHER PROVISIONS IN THE RATE POLICY	15
-----	---------------------------------------	----

CHAPTER 5: LIABILITY FOR RATES AND GENERAL VALUATION

11.	LIABILITY FOR RATES	16
12.	GENERAL VALUATION	16

CHAPTER 1: INTRODUCTORY PROVISIONS

1. DEFINITIONS

- (1) In this by-law, except where the context otherwise indicates or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder and words or expressions to which a meaning has been assigned in terms of the provisions of section 1 of the MPRA will have the corresponding meaning assigned thereto.

NO.	WORD/EXPRESSION	DEFINITION
“B”		
1.1.	“bona fide agricultural / farming purposes”	Means farming / agricultural land or property zoned as agricultural / farming and used predominantly for bona fide farming purposes, including subsistence farming and the use of the property for eco-tourism and game farming and hunting purposes.
“C”		
1.2.	“council”	Means the municipal council of the VLM in which the executive and legislative authority of the VLM is vested and which is the decision making body of the VLM, its legal successors and its delegates.
“E”		
1.3.	“exemption”	In relation to the payment of a rate, means an exemption granted by the VLM in terms of the provisions of section 15 of the MPRA.
“M”		
1.4.	“MFMA”	Means the Local Government: Municipal Finance

		Management Act, Act 56 of 2003.
1.5.	“MPRA”	Means the Local Government: Municipal Property Rates Act, Act 6 of 2004.
1.6.	“MPRA Rate Ratio Regulations”	Means the Municipal Property Rates Act: Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the provisions of section 83 of the MPRA and published in GN R195 in GG 33016 of 12 March 2010.
1.7.	“municipal property”	Means property owned by, vested in or under the control and management of the VLM.
“P”		
1.8.	“public service infrastructure”	Means public service infrastructure as defined in the Municipal Property Rates Act 6 of 2004
“R”		
1.9.	“rateable property”	Means property on which the VLM may in terms of the provisions of sections 2 and 7 of the MPRA levy a rate, excluding property fully excluded from the levying of rates in terms of the provisions of section 17 of the MPRA.
1.10.	“rebate”	Means a discount granted in terms of the provisions of section 15 of the MPRA on the amount of the rate payable on the property.
1.11.	“reduction”	Means the lowering in terms of the provisions of section 15 of the MPRA of the amount for which the property was valued and the rating at that lower amount.
1.12.	“residential property”	Means improved property which is: (a) used predominantly (60% or more) for residential purposes, with not more than 2 (two) dwelling units per property, and includes any adjoining

		<p>property registered in the name of the same owner and used together with such residential property as if it were one property (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or</p> <p>(b) a unit registered in terms of the Sectional Titles Act, used predominantly (60% or more) for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or</p> <p>(c) owned by a share-block company and used predominantly (60% or more) for residential purposes; or</p> <p>(d) a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or</p> <p>(d) a residence used for residential purposes situated on property used for or related to educational purposes;</p> <p>but excludes hostels, flats, old age homes, guesthouses and any vacant land irrespective of its zoning or intended usage.</p>
“S”		
1.13.	“Sectional Titles Act”	Means the Sectional Titles Act, Act 95 of 1986.

1.14.	“service provider”	Means a service provider as contemplated in sub-paragraph (c) in the definition of “the VLM”.
1.15.	“State”	In so far as it relates to property owned and used by the State, means property owned and used by the National Government and North West Provincial Government for the provision of community type services, including but not limited to police stations, hospitals. All other property owned and utilised by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes etc.
1.16.	“Structures Act”	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.17.	“Systems Act”	Means the Local Government: Municipal Systems Act, Act 32 of 2000.
“T”		
1.18.	“the/this by-law”	Means the Rates by-law of the VLM as adopted by the VLM in terms of the provisions of Section 6 of the MPRA and published in terms of the provisions of section 13 of the Systems Act.
1.19.	“the rates policy”	Means the Rates Policy of the VLM.
1.20.	“Town Planning Scheme”	Means the Ventersdorp Land Use Management Scheme, or any revision or amendment thereof, which is in operation as contemplated in terms of the Town Planning and Townships Ordinance 15 of 1986, or any amendment or replacement of this Ordinance.
“V”		
1.21.	“vacant land”	Means a property without any improvements thereto.
1.22.	“valuation roll”	Means a valuation roll prepared in terms of the provisions of section 30 of the MPRA or a

		supplementary valuation roll prepared in terms of the provisions of section 78 of the MPRA.
1.23.	“Ventersdorp Local Municipality” or “VLM”	<p>Means the VENTERSDORP LOCAL MUNICIPALITY a local government and legal entity with full legal capacity as contemplated in terms of the provisions of section 2 of the Systems Act, read with the provisions of Chapter 7 of the Constitution of the Republic of South Africa and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the municipal manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, ___ Street, VENTERSDORP, NORTH WEST PROVINCE, and includes:</p> <p>(a) its successor in title; or</p> <p>(b) a structural person exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act; or</p> <p>(c) in respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it through a service delivery agreement.</p>
“Z”		
1.24.	“zoning”	<p>Means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in the applicable Town Planning Scheme, or any revision or amendment thereof, and “zoned” has a corresponding meaning, provided that where a property carries multiple zoning rights, the categorisation of such property will be in accordance with the highest rating category.</p>

2. THE RATES POLICY ADOPTED BY THE VLM

This VLM has prepared and adopted a property rates policy as contemplated in terms of the provisions of section 3(1) of the MPRA.

3. OBJECTIVE OF THE BY-LAW

The objective of this by-law is to give effect to the implementation and enforcement of the rates policy of the VLM as required in terms of the provisions of section 6(1) of the MPRA.

4. TITLE AND APPLICATION OF THE BY-LAW

- (1) This by-law is known as the Property Rates By-Law of the Ventersdorp Local Municipality.
- (2) This by-law revokes all previous by-laws, decisions and/or *ad hoc* clauses within any other by-law, regarding the subject matter of this by-law.

5. RESPONSIBLE AUTHORITY

The responsible authority for the adoption, publication and implementation of this by-law is the VLM and where applicable the council of the VLM.

6. COMMENCEMENT AND VALIDITY

This by-law shall come into full force and effect upon publication hereof in accordance with the provisions of section 13 of the Systems Act.

CHAPTER 2: RATING PRINCIPLES AND CATEGORIES OF PROPERTY

7. OPERATIONAL BACKGROUND AND PRINCIPLES

- (1) The rates policy has been prepared to ensure equitable treatment by the VLM in the levying of rates on property owners, including owners under sectional title as contemplated in terms of the Sectional Titles Act, as well as any other person who may become liable for the payment of rates based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability and cost efficiency.
- (2) The rates policy must be read in conjunction with the provisions of the Town Planning Scheme and the Town Planning and Townships Ordinance 15 of 1986, and any other applicable legislation, including, but not limited to, the MFMA, the Systems Act or any legislation which replaces any of the aforementioned acts or ordinance.
- (3) The rates policy is herewith given effect to, implemented and may be enforced with the power of a by-law.
- (4) As provided in the MPRA, the VLM has elected to differentiate between various categories of property and property owners and has set out these distinctions in the rates policy. Some categories of property and categories of owners are granted relief from rates in the rates policy. The VLM has, however, not grant relief from rates in respect of payments for rates to any category of owners or properties on an individual basis, other than by way of an exemption, rebate or reduction as provided in the rates policy.
- (5) Rates are levied in accordance with the provisions of the MPRA as a cent-in-the-rand based on the property value determined for a property as contained in the valuation roll and supplementary valuation roll. The rate charged as a cent-in-the-rand for residential properties is the base rate and the rate charged in

respect of all other categories of property is reflected as ratios to the residential rate.

8. CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

- (1) The VLM levies different rates for different categories of rateable property, provided that the maximum ratio to the rate on residential property which may be imposed on farming/agricultural property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.
- (2) All rateable property are classified within a specific category and rated upon the said classification, which will be in accordance with the permitted use thereof, unless otherwise stated in the rate policy.
- (3) For purposes of levying different rates based on the permitted use of properties in terms of the provisions of section 8(1)(b), read with sections 3(3)(b) and 3(3)(c) of the MPRA, the following categories of property are determined and the main criteria to be used in order to determine the category of the property are set out in the rates policy:
 - (a) Residential property;
 - (b) Business and commercial property;
 - (c) Industrial property;
 - (d) Mining property;
 - (e) Public service infrastructure property;
 - (f) Municipal properties;
 - (i) Municipal Property: Not Rateable; and
 - (ii) Municipal Property: Rateable;
 - (g) Farming/agricultural property;
 - (h) State-owned or Organ of State-owned property;

- (i) Smallholdings used for;
 - (i) bona fide agricultural/farming purposes;
 - (ii) residential purposes;
 - (iii) Mixed use;
 - (iv) industrial purposes;
 - (v) business and commercial purposes; and
 - (vi) any other purpose than those specified above;
- (j) Protected areas;
- (k) Property used for Multiple Purposes;
- (l) Education;
- (m) Public benefit organisation property; and
- (n) Property used for Religious purposes.

CHAPTER 3: EXEMPTIONS, REDUCTIONS AND REBATES

9. CATEGORIES OF PROPERTY OWNERS FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES

The rates policy makes provision for exemptions, reductions and rebates from the payment of the rate levied and categorises different categories of property owners for purposes of exemptions, reductions and rebates from the payment of a rate levied on the different categories of property, these categories are as follows:

(1) **EXEMPTIONS:**

The VLM will consider an exemption from rates payable by owners of the following properties:

- (a) An owner of residential property;
- (b) Property owned by the VLM;
- (c) Property owned by Public Benefit Organisations;
 - (i) State or Organ of State owned Health Care Institutions;
 - (ii) Welfare Institutions;
 - (iii) Educational Institutions;
 - (iv) Charitable Institutions;
 - (v) Sporting Bodies;
 - (vi) Cultural Institutions;
 - (vii) Museums, Libraries, Art Galleries and Botanical Gardens;
 - (viii) Youth Development Organizations; and
 - (ix) Animal Welfare;
- (d) Property used for Religious purposes;

(2) REDUCTIONS:

The VLM will consider reductions from rates payable by owners of property on an *ad hoc* basis, in any of the following circumstances:

- (a) partial or total destruction of a property and/or improvements on such property; and
- (b) in the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property.

(3) REBATES:

The VLM will consider rebates from rates payable on the following categories of property and/or for the following categories owners of property:

- (3A) Categories of property:
 - (a) Business, commercial and Industrial property;

- (b) State-owned or Organ of state-owned property;
 - (c) Farming/agricultural property; and
 - (d) Public Service Infrastructure property.
- (3B) Categories of owners:
Retired and Disabled Persons.

CHAPTER 4: GENERAL

10. FURTHER PROVISIONS IN THE RATE POLICY

The rate policy also provides for matters relating to the:

- (a) determination of special rating areas;
- (b) consideration of rate increases;
- (c) notifications of rates;
- (d) payment of rates;
- (e) payment of rates on property in sectional title schemes;
- (f) furnishing of accounts;
- (g) frequency of valuation;
- (h) participation of the community;
- (i) property register;
- (j) certificate of occupancy;
- (k) rating of property used illegally; and
- (l) inspection of and objections to entries into the valuation roll.

CHAPTER 5: LIABILITY FOR RATES AND GENERAL VALUATION

11. LIABILITY FOR RATES

- (1) The levying of rates on property will be effected in terms of the rate policy and the provisions of MPRA.
- (2) Rates will be recovered monthly or annually.
- (3) 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.
- (4) Where the rates levied on a property are based on a supplementary valuation made in terms of the provisions of section 78(1) of MPRA, such rate will be payable from the date contemplated in terms of the provisions of section 78(4) of MPRA.
- (5) Recovery of rates due will be in accordance with the Customer Care and Management, Credit Control and Debt Collection Policy of the VLM read together with the Customer Care and Management, Credit Control and Debt Collection By-Law.

12. GENERAL VALUATION

- (1) The VLM will undertake a general valuation of all rateable properties in its area of jurisdiction and a valuation roll be compiled after 4 (four) financial years.
- (2) The VLM will undertake supplementary valuations on an ongoing basis and prepare a supplementary valuation roll once during each financial year.
- (3) The VLM will in accordance with the provisions of section 79 of MPRA, make amendments regularly to the particulars on the valuation roll, only the electronic

copy of the valuation roll will be updated to incorporate such amendments, except those changes to the roll in such circumstances where the provisions of section 78 of MPRA applies, which may only be effected through a supplementary valuation in accordance with such section.