



**PROPERTY RATES POLICY**

**2025/2026**

**Council Resolution Number:**

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## SECTION A: LEGISLATIVE BACKGROUND, INTERPRETATION AND PRINCIPLES

### 1. LEGISLATIVE BACKGROUND

**WHEREAS** the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended by the provisions of the Local Government: Municipal Property Rates Amendment Act, Act 29 of 2014 (hereinafter referred to as “the MPRA”), empowers Tswaing Local Municipality (hereinafter referred to as “the Municipality”) to impose rates on property.

**AND WHEREAS** 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 Municipality may, *inter alia*, levy rates on property to finance the operational expenditure of the Municipality.

**AND WHEREAS** 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 Municipality 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 Municipality, ensure that the Municipality has and implements a rates policy **AND WHEREAS** the Municipality:

- (a) Must, in terms of section 3(1) of the MPRA, adopt a policy consistent with the MPRA on the levying of rates on rateable property within the municipal area of the Municipality.
- (b) Must, in terms of section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its rates policy.
- (c) Must, in terms of section 5(1) of the MPRA, annually review, and may, if necessary, amend this policy. Proposals for reviewing this policy must be considered by the Municipality in conjunction with its annual operating budget.
- (d) May, in terms of section 22 of the MPRA, levy an additional rate on property in a special rating area and, in doing so, may differentiate between different categories of property.

**NOW THEREFORE**, this policy has been drafted in compliance with the provisions of sections 3(1) and 6(1) of the MPRA and must be read within the context of the MPRA, and in as far as required, supplemented, and amplified by the MPRA.

## 2. INTERPRETATION

In this policy, 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 meaning assigned thereto by the said act. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

<b>Agent</b>	<p>(a) In relation to the owner of a property, means a person appointed by the owner of the property –</p> <p>(b) to receive rental or other payments in respect of the property on behalf of the owner; or to make payments in respect of the property on behalf of the owner;</p>
<b>Agricultural Properties</b>	Means properties used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the properties for the purpose of ecotourism or for the trading in or hunting of game
<b>Agricultural Purposes</b>	In relation to the use of a property excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game
<b>Annually</b>	Means once every financial year
<b>Appeal Board</b>	Means a valuation appeal board established in terms of section 56
<b>Assistant Municipal Valuer</b>	Means a person designated as an assistant municipal valuer in terms of section 35 (1) or (2)
<b>Business or Commercial Properties</b>	Means – <p>a) Properties used for the activity of buying, selling or</p>

	<p>trading in commodities or services and includes any office or other accommodation on the same properties, the use of which is incidental to such activity;</p> <p>b) Properties on which the administration of the business of private or public entities takes place;</p> <p>c) Properties used for the provision of commercial accommodation;</p> <p>d) Properties used for education purposes;</p> <p>Properties used by the State or any organ of State</p>
<p><b>Dominant use</b></p>	<p>In relation to a property means a property used for more than one purpose subject to section 9 (1) (b) and the following criteria applies -</p> <p>a) A dominant use approach may be applied to developed property located within the area of an approved town planning scheme granted in terms of any planning law;</p> <p>b) The dominant use is the highest percentage use of all actual uses determined by gross building area;</p> <p>c) The dominant use category of property will then be applied to the levying of rates Dominant use may not be used for Communal property used for multiple purposes or property used for multiple purposes where there is a large surplus land component, or for property where there are rateable and non-rateable portions.</p>
<p><b>Effective date</b></p>	<p>a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32 (1) or</p>

	In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78 (2) (b)
<b>Equitable Treatment of Ratepayers</b>	Means the fair, just and impartial treatment of all ratepayers
<b>Exclusion</b>	In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act
<b>Exemption</b>	In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act
<b>Financial Year</b>	Means the period starting from 1 July in a year to 30 June the next year.
<b>Formal and Informal Settlements</b>	Are settlements that are formally planned according to planning norms and standards
<b>Informal Settlements</b>	Informal Settlements do not comply with norms and standards and are therefore called informal
<b>Income Tax Act</b>	Means the Income Tax Act, 1962 (Act No. 58 of 1962)
<b>Indigent</b>	a) Means an owner of low-cost property at a value of <b>R 60 000.00</b> who has permanent occupation of a property and qualifies for indigent relief in terms of the Council's Customer Care policy. A household with a calculated income not exceeding <b>R 6 000.00</b> per month.

<b>Industrial Properties</b>	<p>Means properties used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw material or fabricated parts in respect of which capital and labour are involved, and includes –</p> <ul style="list-style-type: none"> <li>a) The production of raw products on the property;</li> <li>b) The storage and warehousing of products; and Any office or other accommodation on the same property the use of which is incidental to such activity.</li> </ul>
<b>Land Reform Beneficiary</b>	<p>In relation to a property, means a person who –</p> <ul style="list-style-type: none"> <li>a) Acquired the property through- <ul style="list-style-type: none"> <li>•the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or</li> <li>•The Restitution of Land Rights Act, 1994 t No. 22 of 1944);</li> </ul> </li> <li>b) Holds the property subject to the Communal Property Associations Act, 1996 (Act No.28 of 1996); or</li> <li>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.</li> </ul>
<b>Land Tenure Right</b>	<p>Means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004 (Act No. 11 of 2004)</p>
<b>Legal Entity</b>	<p>In law an entity is something which can bear legal rights and obligations, has a distinct separate existence.</p>

<b>Local Community</b>	In relation to a municipality means that body of persons comprising- a) the residents of the municipality; b) the ratepayers of the municipality; c) any civic organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and 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; and includes, more specifically, the poor and other disadvantaged sections of such body of persons.
<b>Local Municipality</b>	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.
<b>Market Value</b>	In relation to a property, means the value of the property determined in accordance with Section 46 of the Act
<b>MEC for Local Government</b>	Means the member of the Executive Council of a province who is responsible for local government in that province.
<b>Mining Properties</b>	Refers to properties used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002); and used for any operations or activity for the purpose of extracting any mineral on, in or under the earth, water or any mineral residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
<b>Minister</b>	The cabinet member responsible for local government



<b>MPRA</b>	Municipal Property Rates Act No. 6 of 2004 and the Regulations framed there under.
<b>Properties used for Multiple Purposes</b>	In relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Act;
<b>Municipal Council or Council</b>	A municipal council referred to in Section 18 of the Municipal Structures Act.
<b>Municipal Finance Management Act</b>	The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
<b>Municipal Manager</b>	A person appointed in terms of Section 82 of the Municipal Structures Act;
<b>Municipal Leases</b>	<ul style="list-style-type: none"> <li>• Means property owned by the municipality and leased to another party.</li> <li>• The municipality reserves the right to recover municipal rates against all properties registered in the name of the municipality over which a portion or all its property is leased either through an existing lease agreement where rates are exclusive or through the provisions of the Act.</li> </ul> <p>Rates payable will be based on the rates category and market value as contained in the valuation roll</p>
<b>Municipal Structures Act</b>	The Local Government: Municipal Structures Act, 1988 (Act No. 117 of 1998)
<b>Municipal Systems Act</b>	The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000)
<b>Municipal Valuation</b>	Means a valuation of a rateable property within the municipal area by the Municipal Valuer in terms of the Act.
<b>Municipal Valuer or Valuer of a Municipality</b>	Means a person designated as a municipal valuer in terms of Section 33(1) of the Act;

<b>Newly Rateable Property</b>	Any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding <ul style="list-style-type: none"> <li>a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.</li> </ul>
<b>Office Bearer</b>	In relation to places of public worship, means the primary person who officiates at services at the place of worship
<b>Official Residence</b>	In relation to places of public worship: <ul style="list-style-type: none"> <li>a) a portion of the property used for residential purposes or</li> </ul>
	<ul style="list-style-type: none"> <li>b) one residential property, if the residential property is not located on the same property as the place of worship.</li> </ul> Registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;
<b>Occupier</b>	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;
<b>Organ of State</b>	An organ of state as defined in Section 239 of the Constitution.

<p><b>Owner</b></p>	<p>(a) In relation to property referred to in paragraph</p> <p>(a) of the definition of “property”, means a person in whose name ownership of the property is registered;</p> <p>(b) In relation to a right referred to in paragraph</p> <p>(b) of the definition of “property”, means a person in whose name the right is registered; or</p> <p>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</p>
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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

	<p>municipality and is leased by it; or</p> <p>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</p>
<b>Pensioner</b>	<p>Means a person</p> <ul style="list-style-type: none"> <li>• Who is 60 years of age;</li> <li>• Who is the sole owner of the property, or owner jointly with his/her spouse; and</li> </ul> <p>Does not own another property within the municipality.</p>
<b>Permitted Use</b>	<p>In relation to a property, means the limited purposes for which the property may be used in terms of – (a) any restrictions imposed by –</p> <ul style="list-style-type: none"> <li>(i) a condition of title;</li> <li>(ii) a provision of a town planning or land use scheme; or</li> <li>(iii) any legislation applicable to any specific property or properties; or</li> </ul> <p>any alleviation of any such restrictions;</p>
<b>Person</b>	Includes an organ of state.
<b>Prescribe</b>	Means prescribe by regulation in terms of section 83 of the Act.

<b>Property</b>	<p>means—</p> <p>(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;</p> <p>(b) A right registered against immovable property in the name</p>
	<p>of a person, excluding a mortgage bond registered against the property;</p> <p>(c) A land tenure right registered in the name of a person or granted to a person in terms of legislation;</p>
<b>Property Register</b>	A register of properties referred to in Section 23 of the Act.
<b>Protected Area</b>	Means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.
<b>Protected Areas Act</b>	Means the National Environmental Management: Protected Areas Act, 2003
<b>Properties owned by public benefit organizations and used for specified public benefit activities</b>	Means a property where the dominant activity is 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.

<p><b>Properties owned by an organ of state and used for public service purposes</b></p>	<p>Public service purposes (PSP) in relation to the use of a property, means property owned and used by an organ of state as</p> <ul style="list-style-type: none"> <li>• Hospital and clinics;</li> <li>• Schools, pre-schools, early childhood development centres or further education and training colleges;</li> <li>• National and provincial libraries and archives;</li> <li>• Police Stations;</li> <li>• Correctional Facilities;</li> <li>• Courts of Law.</li> </ul> <p>A public service purposes property does not include a property contemplated in the definition of 'public service infrastructure' in terms of the MPRA read with this Policy.</p>
<p><b>Publicly Controlled</b></p>	<p>Means owned by or otherwise under the control of an organ of state, including-</p> <ul style="list-style-type: none"> <li>• a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);</li> <li>• a municipality; or a municipal entity as defined in the Municipal Systems Act</li> </ul>
<p><b>Public Service Infrastructure Properties</b></p>	<p>Means publicly controlled infrastructure of the following kinds:</p> <ol style="list-style-type: none"> <li>a) National, provincial or other public roads on which goods, services or labour move across a municipal boundary;</li> <li>b) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps</li> </ol>

forming part of a water or sewer scheme serving the public;

- c) Power stations, power substations or power lines forming part of an electricity scheme serving the public;
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- e) Railway lines forming part of a national railway system;
- f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- g) Runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- i) Any other publicly controlled infrastructure as may be prescribed;  
or

A right registered against immovable property in connection with



	infrastructure mentioned in paragraphs (a) to (i);
<b>Rate</b>	Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;
<b>Rateable Property</b>	Means the property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act
<b>Rate Rand Age</b>	A rate levied on rateable properties to determine the amount of rates due to the municipality.
<b>Ratio</b>	In relation to section 19, means the relationship between the cent amount in the rand applicable to residential properties and different categories of nonresidential properties; Provided that the two relevant cent amounts in the rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category
<b>Rebate</b>	In relation to a rate payable on a property, means a discount granted in terms of Section 15 on the amount of the rate payable on the property
<b>Reduction</b>	In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount.

<b>Register</b>	<p>Means to record in a register in terms of</p> <ul style="list-style-type: none"> <li>• the Deeds Registries Act, 1937 (Act No.47 of 1937) or</li> <li>• the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and</li> </ul> <p>Includes any other formal act in terms of any other legislation to record-</p> <ul style="list-style-type: none"> <li>• a right to use land for or in connection with mining purposes or             <ul style="list-style-type: none"> <li>• connection with mining purposes; or</li> </ul> </li> </ul> <p>tenure right</p>
<b>Residential Properties</b>	Means a properties included in a Valuation Roll in terms of section 48(2)(b) of the Act as residential
<b>Sectional Titles Act</b>	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
<b>Sectional Title Scheme</b>	A scheme defined in Section 1 of the Sectional Titles Act;
<b>Sectional Title Unit</b>	A unit defined in Section 1 of the Sectional Titles Act
<b>Specified Public Benefit Activity</b>	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
<b>Properties owned by an organ of state and used for public service purposes</b>	Properties owned by the state, a legal entity that undertakes commercial activities on behalf of an owner government
<b>State Trust Land</b>	<p>Means Land owned by the state-</p> <ul style="list-style-type: none"> <li>a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;</li> <li>b) over which land tenure rights were</li> </ul>

	registered or granted; or
	c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)
<b>Threshold Value</b>	With reference to impermissible rates and Section (17) (1) (h) of the MPRA a municipality may not levy a rate on the first <b>R15 000</b> of the market value of a property with a category residential and a Council may increase this value to a higher market value in terms its annual budget and policy review, which is referred to as the threshold value. Tswaing Local municipality's threshold is <b>R 60 000</b>
<b>Vacant Land</b>	<p>Means any unimproved vacant land, which is not agricultural property. Any vacant land outside the area of a scheme for which no development rights have been granted in terms of any planning law must be considered as agricultural property and valued accordingly.</p> <ul style="list-style-type: none"> <li>• The value of vacant land must reflect: <ul style="list-style-type: none"> <li>▪ the highest and best use permitted by the scheme, including any consent granted in terms thereof, if the land is situated in the area of a scheme; or</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ the highest and best use permitted in terms of a development approval, if the land does not form part of the area of a scheme, but development rights have been granted in respect of the land.</li> </ul>
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### 3. AIM AND PURPOSE

- 3.1 This policy constitutes the policy as contemplated in terms of the provisions of section 3(1) of the MPRA and the aim and purpose of this policy is as set out in the provisions of section 3(3) of the MPRA.
- 3.2 The aim of this policy is to:
- 3.2.1 Ensure that all owners of rateable property are informed about their liability for rates;
- 3.2.2 Specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in terms of the provisions of section 15 of the MPRA;
- 3.2.3 Empower the Municipality to specify a threshold at which rating in respect of residential properties may commence as provided for in terms of the provisions of section 15(1)(a) of the MPRA, which it is authorised to do;
- 3.2.4 Set out the criteria to be applied by the Municipality when it:
- (a) Increase or decreases rates
  - (b) Levies differential rates on different categories of property;
- 3.2.5 Provide for categories of public benefit organisations, approved in terms of the provisions of section 30(1) of the Income Tax Act, Act 58 of 1962 (hereinafter referred to as “the Income Tax Act”), which are ratepayers, and who may apply to the Municipality for relief from rates;
- 3.2.6 Recognise the State, organs of state and the owners of public service infrastructure as property owners;
- 3.2.7 Encourage the development of property;
- 3.2.8 Ensure that all persons liable for rates are treated equitably as required by the MPRA; and
- 3.2.9 Provide that any rebate is to benefit the owner in occupation of the property.

### 4. PRINCIPLES

- 4.1 The principle of the Municipal Property Rates Act is to regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and

fair valuation method of properties; to make provision for an objection and appeal process.

#### **4.2 The principles of the policy are to ensure that:**

- 4.2.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of section 229 of the Constitution;
- 4.2.2 All ratepayers will be treated equitably;
- 4.2.3 Property rates will be assessed on the market value of all rateable properties within the jurisdiction of the municipality;
- 4.2.4 Property rates will not be used to subsidize trading and economic services; The property rates policy will consider relief measures to address the social and economic needs of the community;
- 4.2.5 This policy will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.
- 4.2.6 The Municipality is required by the terms of section 16(1) of the MFMA, read with section 24(1) of the MFMA, to approve an annual operating budget prior to the commencement of every financial year. The income from rates must be used to finance in full or in part, the annual operating expenditure of the Municipality as reflected in such budget.

### **5. KEY FOCUS OF THE MUNICIPAL SYSTEMS ACT**

- 5.1 All property owners are liable for the payment of rates. Therefore, all property owners including commercial, residential (homes), agriculture, government, etc, are included in the definition of property. Land tenure rights such as Permission to Occupy (PTOs) commonly found in communal areas, are also included in the definition of properties.
- 5.2 The Municipal Systems Act prescribes that property values must be the market values of properties. This is the value that a willing buyer and willing seller is prepared to pay for a property.

### **SECTION B: CATEGORIES OF RATEABLE PROPERTIES**

#### **6. CATEGORIES OF PROPERTIES FOR THE PURPOSE OF LEVYING DIFFERENT RATES**

- 6.1 The following are the determined categories of rateable properties by the municipality:
  - Residential properties
  - Industrial properties
  - Business and Commercial properties
  - Agricultural properties
  - Mining properties
  - Properties owned by organ of state and used for public service purposes

- Public Service Infrastructure
- Properties owned by public benefit organisation and used for public benefit activities
- Properties used for multiple purposes, subject to Section 9 of the Municipal Property Rates Act
- Vacant land

The municipality may determine additional categories of rateable properties, provided such determined in relation to property does not circumvent the categories of rateable properties that must be determined in terms of Section 8 (2) of the Act,

## **7. CRITERIA FOR RATING PROPERTY USED FOR MULTIPLE PURPOSES**

7.1 Tswaing Local Municipality will categorise and levy rates on properties according to apportioning the market value of the property, to the different purposes for which the property is used

## **SECTION C: DIFFERENTIAL RATING**

### **8. CRITERIA FOR DIFFERENT RATING ON DIFFERENT CATEGORIES OF PROPERTIES**

8.1 Criteria for differential rating on different categories of properties in terms of section 8(1) of the Municipal Property Rates Act will be according to the permitted use of the property:

## **SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES**

### **9. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS**

9.1 A municipality may in terms of the criteria, which it has set out in its rates policy:

9.1.1 exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of the rate levied on their property; or

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

9.1.3 In granting exemptions, reductions, and rebates in respect of owners or categories of properties, a municipality may determine such categories in accordance with Section 8 of the Municipal Property Rates Act, and when granting exemptions, reductions or rebates in respect of categories of owners of properties, such categories may include:

- indigent owners;
- owners dependent on pensions or social grants for their livelihood including owners of properties within the income group of pensions or social grants owners temporarily without income;
- owners of property situated within an area affected by a disaster or any other serious adverse social or economic conditions;

- owners of residential properties with a market value lower than an amount determined by the municipality; and
- owners of agricultural properties who are bona fide farmers.

9.2 The municipal manager must annually table in the council:

- 9.2.1 a list of all exemptions, reductions and rebates granted by the municipality during the previous financial year; and
- 9.2.2 a statement reflecting the income, which the municipality has forgone during the previous financial year by way of such exemption, reductions and rebates, exclusions referred to in the Act, and the phasing in discount granted in terms of Section 21.

9.3 All exemptions, reductions and rebates projected for a financial year must be reflected in the municipality's annual budget for that year as income on the revenue side and expenditure on the expenditure side. In terms of the Constitution, a municipality may not exercise its power to levy rates on property in a manner that materially and unreasonably prejudices national economic policies, economic activities across its boundaries, or the national mobility of goods, services, capital and labour.

9.4 If a rate on a specific category of properties, or a rate on a specific category of owners of properties above a specific amount in the rand, is materially and unreasonably prejudicing any of the matters referred to above, the Minister of Provincial and Local Government may, by notice in the gazette, give notice to the relevant municipality that the rate must be limited to an amount in the rand specified in the notice.

9.5 No property will be permitted two rebates at the same time unless approved by the council

10. The following categories of property and categories of owners of property are **exempted** from rates:

10.1 All properties registered in the name of Tswaing Local municipality.

10.2 Residential owners whose property values does not exceed R 60 000 after the first R **15 000** exclusion in terms of Section 17 of the Act, are exempted from paying rates.

10.4 Approved indigents will be fully subsidised on property rates

10.5 Owners dependent on pension or social grant for their livelihood and whose property value does not exceed R 60 000 after the R 15 000 exclusion in terms of Section 17 of the Municipal Property Rates Act, are exempted from paying rates. Such properties shall include properties owned by municipal entities and all such properties would be exempted from paying rates. Only the property where such owner resides would qualify (Upon approval of the application)

11. **Reductions** as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:

- 11.1 Partial or total destruction of a property; and

11.2 Disasters as defined in the Disaster Management Act, No 57 of 2002.  
*\*Applications should be in writing and the onus will rest on such an applicant to prove to the satisfaction of the municipality that his/her property has been totally or partially destroyed. He/she will also have to indicate to what extent the property can still be used and the impact on the value of the property.*

12. **Rebates** depending on limited gross monthly household income :

12.1 Registered owners of Residential Properties who are dependent on social grants for their livelihood or have been without gross monthly household income for an uninterrupted period of three (3) months will be 100% subsidised through Free Basic Service policy of the council.

12.2 To qualify for the rebate such a property owner must be a natural person and the owner of the property which satisfies the requirements of the definition of Residential Property, and must on 1 July of the financial year:

12.2.1 Physically occupy the property as his/her primary residence, provided that where the owner is unable to occupy the property due to no fault of his/her own, his/her spouse or minor children may satisfy the occupancy requirement; and

12.2.2 Be dependent on a social grant, or

12.2.3 Not be the owner of more than one property either nationally or internationally

### 13. Phasing-in

A rate levied on newly rateable property will be phased in over a period of three financial years. Similarly, a rate levied on property owned by a land reform beneficiary will, after the exclusion period of ten years has lapsed, be phased in over a period of three financial years.

**13.1 The phasing-in discount on properties referred to in point 9.1 shall be as set out in the following table:**

Year	Percentage Rates Payable
First	75%
Second	50%
Third	25%

13.2 A rate levied on a newly rateable property owned and used by organisations conducting specified public benefit activities must be phased in over a period of four financial years.

**The phasing-in discount on properties referred to in point 9.2**

Year	Percentage Rates Payable	
First	0%	
Second	75%	



Third	50%	
Fourth	25%	

13.3 A rate levied on newly rateable property may not be higher than the rate levied on similar property or categories of property in the municipality

## SECTION E: RATES INCREASE/DECREASE

14. In terms of the provisions of section 17(3)(a)(ii) of the MFMA and section 24(2)(c)(i) of the MFMA, read with section 28(6) of the MFMA, the Municipality may only consider the increase of rates annually during the drafting and adoption of its annual budget and section 20 of the MPRA

## SECTION F: LIABILITY FOR RATES

### 15. CRITERIA FOR EXEMPTION, REBATES AND REDUCTION

**15.1 The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:**

- Indigent status of the owner of a property;
- Sources of income of the owner of a property;
- Pensioner's ability to pay; ➤ Disable Owner;
- Child Headed Household;
- Social or economic conditions of the area where the owners of property are located for example an area declared by the National or Provincial Government to be a disaster area within the meaning of Disaster Management Act, 2002 to the extent that the significantly negatively affected.
- Market value of residential property below a determined threshold of R 60 000. ➤ Availability of services funded by rates for a property.

## SECTION G: NOTIFICATION OF RATES, PAYMENT OF RATES AND ACCOUNTS TO BE FURNISHED

### 16. NOTIFICATION OF RATES

16.1 In terms of the provisions of section 16(2) of the MFMA, read with the provisions of section 22 of the MFMA, the public will be informed of the rates on property which the Municipality intends to levy in the next financial year as contained in the Municipality's annual budget. The public then may submit representations regarding the contents of the said annual budget in terms of the provisions of section 22(a)(ii) of the MFMA.

16.2 Once the Council has, considered, in terms of the provisions of section 24(1) of the MFMA, amongst others, the representations by the public, the Council may proceed to approve the annual budget, and once it has done so the Municipality shall have levied the rate as contained in the annual budget as contemplated in terms of the provisions of section 24(2)(c)(i) of the MFMA.

## 17. PAYMENT OF RATES

17.1A ratepayer has the option to pay the rates for which such ratepayer is liable to the Municipality in one annual instalment on/or before the end of September of a given year, or to pay such rates on a monthly basis on/or before the due date indicated on the account.

17.2 If the owner of rateable property wishes to opt for the payment of rates annually in one instalment, such owner must notify the Municipal Manager in writing of such election and the owner will then become liable to the Municipality to pay the rates on an annual basis, and full payment of the rates to be received by no later than 30 September of a year.

17.3 Interest on arrear rates will be levied and payable as set out in terms of the provisions of section 75A(1)(b) of the Systems Act, read with section 97(1)(e) of the Systems Act and the applicable provisions of the Credit Control & Debt Collection Policy and by-laws of the Municipality.

17.4 If the owner of rateable property fails, neglects or refuses to pay such rates which is owing and due to the Municipality, the Municipality will recover such rates in accordance with the provisions of its Credit Control and Debt Collection Policy and by-laws of the Municipality, read with the provisions of Chapter 9 of the Systems Act.

17.5 Arrear rates may be recovered from any tenants or occupiers of a rateable property or their agent as set out in terms of the provisions of sections 28 and 29 of the MPRA

## 18. ACCOUNTS TO BE FURNISHED

**18.1 The Municipality will furnish every owner of rateable property liable for the payment of such rates with a written account therefore, which account must provide:**

- the amount due for such rates;
- the date upon or before which the rates are payable;
- the manner in terms of which the rates was calculated;
- the municipal value of the property for which the account was furnished; and
- the percentage or amount of any applicable exemptions, reductions and/or rebates.

## **SECTION H: REGISTER OF PROPERTIES AND ILLEGAL USE OF PROPERTIES**

### **19. REGISTER OF PROPERTIES**

19.1 The Chief Financial Officer will draw up and maintain a register of properties as contemplated in section 23 of the Act.

### **20. ILLEGAL USE OF PROPERTY**

20.1 If a property is used for a use, other than that permitted for the property by the applicable provisions of the Town Planning Scheme (also referred to as the “illegal use of the property”), the Municipality will be entitled to levy on the property concerned the highest tariff provided for in the differential rate categories of the Municipality.

20.2 The owner of property bears the onus of satisfying the Municipality that the illegal use of the property has ceased and may request in writing from the Municipality to proceed to reinstate the levying of rates against the property as per the valuation roll.

## **SECTION I: COMMUNITY PARTICIPATION, PAYMENT OF RATES CLEARANCE, GENERAL VALUATION ROLL AND SUPPLEMENTARY ROLL, POLICY REVIEW AND EFFECTIVE DATE OF THE RATES POLICY**

### **21. COMMUNITY PARTICIPATION**

21.1 Before Tswaing Local Municipality adopts its rates policy, the process of community participation envisaged in Chapter 4 of the Municipal Systems Act; and compliance with the following requirements, as set out below will be followed. The municipal manager of the municipality will:

- conspicuously display the draft rates policy for a period of at least 30 days at the municipality’s head and satellite offices and libraries, and on the official website of the municipality ([www.tswaing.gov.za](http://www.tswaing.gov.za))
- publish in the media a notice stating that a draft rates policy has been prepared for submission to the council, and that such policy is available at the various municipal offices for public inspection, and also on the relevant website; and inviting the local community to submit comments and representations to the municipality within a period specified in the notice, but which period shall not be less than 30 days. The council will then take all comments and representations made to it into account when it considers the draft rates policy

### **. PAYMENT OF RATES CLEARANCE**

22.1 With the sale of a property within the municipal jurisdiction, the council will withhold rates clearance certificate until all rates, services and sundry costs attached to the property is paid

and an amount equal to 3 months rates and service charges will be collected in advance as part of the rates clearance process,

22.2 Once transfer is done, rates and services will be levied on the new owner from the month following date of registration

22.3 The clearance certificate remains valid for 3 months from the date of issuing, however if the 3 months period ends after the 30<sup>th</sup> of June, a new rate will apply

22.4 Once it expires, a new application for clearance must be made (**No extension will be granted**)

22.5 Outstanding services and taxes on properties may only be recovered for a maximum period of two years as per section 118 (1) (b) of the Municipal Systems Act 32 of 2000

**23. GENERAL VALUATION ROLL AND SUPPLEMENTARY ROLL**

23.1 Tswaing Local Municipality’s General Valuation Roll takes effect from the start of the financial year following completion of the public inspection period required by the present Act, and remains valid for five financial years

23.2 Section 32(2) provides for the extension of the period of validity of the valuation roll by the MEC for Local Government, but only up to a period of seven financial years, and only in specified circumstances.

23.3 Supplementary Valuations are done regularly but at least once a year

**24. POLICY REVIEW**

24.1 The municipality will annually review, and if necessary, amend its rates policy considering public comments and inputs.

**25. EFFECTIVE DATES OF THE RATES POLICY**

25.1 This policy comes into effect on 1 July 2025, upon approval by Municipal Council and the Municipality will adopt by-laws to give effect to the implementation of this policy

**SIGNED BY:**

\_\_\_\_\_  
**MR S MAROGA**  
**ACTING MUNICIPAL MANAGER**

\_\_\_\_\_  
**DATE:**