

**SWARTLAND
MUNICIPALITY**

**PROPERTY RATES
POLICY**

**PROPERTY RATES POLICY:
SWARTLAND MUNICIPALITY**

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SWARTLAND MUNICIPALITY

PREAMBLE

WHEREAS section 3 of the Local Government: Municipal Property Rates Act, 2004 (No6 of 2004) determines that a municipality must adopt a rates policy in accordance with the provisions of the Act;

NOW THEREFORE the following policy on the levying of property tax is adopted:

1. DEFINITIONS

(1) In this policy, unless the context indicates otherwise any word or expression to which a meaning has been attached in the Local Government: Municipal Property Rates Act No 6 of 2004 shall bear the same meaning and –

“agricultural purpose”, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

“annually” means once every financial year;

“category” –

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

“conservation area” – means a protected area listed in terms of section 10 of the Protected Areas Act, No 52 of 2003;

- (a) a nature reserve established in terms of the Nature and Environmental Conservation Ordinance, no 19 of 1974; or
- (b) any land which is zoned as open space zone II or III in terms of the Municipality’s zoning scheme regulations, provided that such protected

areas, nature reserves or land, with the exception of tourism facilities that may have been erected thereon, are exclusively utilised for the preservation of fauna and flora and the products of such land are not being traded for commercial gain;

“exclusion”, in relation to a municipality’s rating power, means a restriction of that power as provided for in sections 16 and 17 of the Act;

“exemption”, in relation to the payment of a rate, means an exemption granted in terms of section 15(1)(a) of the Act;

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

“local community”, in relation to a municipality –

- (a) means that body of persons comprising –
 - (i) the residents of the municipality;
 - (ii) the ratepayers of the municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

“market value”, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

“multiple purposes”, in relation to a property, means the use of a property for more than one purpose as contemplated by section 9 of the Act;

“municipal council” or **“council”** means a municipal council referred to in section 18 of the Municipal Structures Act;

“municipal property” is property registered or which vests in the name of Swartland Municipality;

“municipality”—

- (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and
- (b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal manager” means a person appointed in terms of section 82 of the Municipal Structures Act;

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

“owner”—

- (a) in relation to property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property” in the Act, means the organ of state which

owns or controls that public service infrastructure as envisaged by the definition in the Act of the term “publicly controlled”, provided that a person mentioned below shall for the purposes of this Act be regarded by the municipality as the owner of a property in the following cases:

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property, in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property, in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property, in the estate of a person under judicial management;
- (v) a curator, in the case of a property, in the estate of a person under curatorship;
- (vi) an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

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

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

“property” means—

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

- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

“**rate**” means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

“**rateable property**” means property on which a municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

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

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

“**residential property**” means property included in a valuation roll in terms of section 48(2) of the Act as residential; and

“**special geographical areas**” means the geographic areas known as Jakkalsfontein and Grotto Bay;

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

- (2) In this policy, a word or expression derived from a word or expression defined in sub paragraph (1), has a corresponding meaning unless the context indicates that another meaning is intended.

PURPOSE OF THE POLICY

2. The purpose of the policy is:-
 - (1) to comply with the provisions of section 3 of the Act;
 - (2) to determine criteria to be applied for-
 - a) the levying of differential rates for different categories of properties;
 - b) exemptions;
 - c) reductions and rebates; and
 - d) rate increases;
 - (3) to determine or provide criteria for the determination of:-
 - a) categories of properties for the purpose of levying different rates; and
 - b) categories of owners of properties or categories of properties, for the purpose of the granting of exemptions, rebates and reductions;
 - (4) to determine how the municipality's powers must be exercised in relation to multi purpose properties;
 - (5) to identify and quantify to the municipality in terms of cost and benefit to the community-
 - a) exemptions, rebates and reductions;
 - b) exclusions; and
 - c) rates on properties that must be phased in;
 - (6) to take into account the effect of rates on the poor;
 - (7) to take into account the effect of rates on organisations conducting particular public benefit activities;
 - (8) to take into account the effect of rates on public service infrastructure;
 - (9) to determine measures to promote local economic and social development; and
 - (10) to identify all rateable property that is not rated.

POLICY PRINCIPLES

3. (1) The levying of a rate on a property is an exclusive power of the municipality which will be applied –
 - (a) optimally and expansively within the municipality ; and
 - (b) with due regard to the total income pool of the municipality.

- (2) The rating of property will be done impartially, fairly, equitably and without bias, and these principles also apply to-
 - (a) the setting of criteria for exemptions, reductions and rebates contemplated in section 15 of the Act.
- (3) The rating of property will be implemented in a way that:-
 - (a) is developmentally orientated;
 - (b) supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - (c) supports local and social economic development.
- (4) Property rates will be levied to –
 - (a) correct the imbalances of the past; and
 - (b) minimise the effect of rates on the poor.
- (5) Rates will be raised in proportion to the market value of the property.
- (6) The rates tariff will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking in account profits generated on trading and economic services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by council from time to time.
- (7) Trading and economic services will be ringfenced and tariffs and service charges calculated in such a manner that the income generated covers the cost of the services or generates a profit.
- (8) Property rates will be used to finance community services.
- (9) Profits on trading and economic services can be used to subsidise community services.
- (10) The provision for working capital and bad debts must relate to the requirements for community services and not to those of trading and economic services.
- (11) The income base of the municipality will be protected at all costs by limiting reductions, exemptions and rebates.

CLASSIFICATION OF SERVICES AND EXPENDITURE

4. (1) The chief financial officer shall, subject to the guidelines provided by the national treasury and mayoral committee of the council, make provision for the following classification of services:-

(a) ***Trading services***

- (i) Water.
- (ii) Electricity.
- (iii) Camping facilities.

(b) ***Economic services***

- (i) Refuse removal.
- (ii) Sewerage disposal.

(c) ***Community services***

- (i) Air pollution.
- (ii) Local tourism.
- (iii) Municipal planning.
- (iv) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law.
- (v) Stormwater management system in built-up areas.
- (vi) Trading regulations.
- (vii) Fixed billboards and the display of advertisements in public places.
- (viii) Cemeteries, funeral parlours and crematoria.
- (ix) Control of public nuisances.
- (x) Control of undertakings that sell liquor to the public.
- (xi) Town planning.
- (xii) Facilities for accommodation, care and burial of animals.
- (xiii) Fencing and fences.
- (xiv) Licensing of dogs.

- (xv) Licensing and control of undertakings that sell food to the public.
- (xvi) Local amenities.
- (xvii) Local sport facilities.
- (xviii) Municipal parks and recreation.
- (xix) Municipal roads.
- (xx) Noise pollution.
- (xxi) Pounds.
- (xxii) Public places.
- (xxiii) Street trading/street lighting.
- (xxiv) Traffic and parking.
- (xxv) Building control.
- (xxvi) Licensing of motor vehicles and transport permits.
- (xxvii) Nature reserves.
- (xxviii) Childcare facilities.
- (xxix) Pontoons, ferries, jetties and harbours.
- (xxx) Markets.
- (xxxi) Cleansing.
- (xxxii) Beaches and amusement facilities.

Expenditure classification

(2) Expenditure will be classified in the following categories.

(a) **Subjective classification:**

- (i) Salaries, wages and allowances;
- (ii) Bulk purchases;
- (iii) General expenditure;
- (iv) Repairs and maintenance;
- (v) Capital charges (interest and redemption/depreciation);
- (vi) Contribution to fixed assets;
- (vii) Contribution to funds:
 - a) bad debts;
 - b) working capital; and
 - c) statutory funds.
- (viii) Contribution to reserves;

- (ix) Gross expenditure;
- (x) Less charge-out;
- (xi) Nett expenditure;
- (xii) Income; and
- (xiii) Surplus/Deficit.

(b) **Objective classification:**

- (i) Cost centres will be created to which the costs associated with providing the service can be allocated as follows:
 - a) Department.
 - b) Section/service.
 - c) Division/service.
- (ii) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

Cost centres

- (3) Cost centres will be created to which the costs associated with providing the service can be allocated-
 - a) by department;
 - b) by section/service; and
 - c) by division/service.
- (4) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

THE LEVYING OF RATES

5. (1) The municipality shall, subject to the provisions of paragraph 5(2), levy rates on all rateable property in the area of jurisdiction of the Swartland Municipality at a rate to be fixed in accordance with the provisions of section 14 of the Act by resolution passed by the council of the municipality.

(2) No rates shall be levied in respect of –

- (a) those instances and to the extent referred to in section 17 of the Act;
- (b) property of which the Swartland Municipality is the owner;
- (c) public services infrastructure which is the property of a municipal entity to which the municipality is a party;
- (d) property referred to in section 7(2)(a)(iii) and (iv) of the Act; and
- (e) property exempted in terms of paragraph 9 hereof.

CATEGORIES OF PROPERTY

6. Properties will be categorised as follows:-

- (a) residential properties;
- (b) industrial properties;
- (c) business properties;
- (d) agricultural properties:
 - (i) farm properties
 - (ii) property registered in the name of an agricultural society which is affiliated to the SA Agricultural Union;
- (e) state-owned properties excluding state-owned property assigned to category 6(l);
- (f) municipal properties, i.e. properties registered in the name of the Swartland Municipality or which vest in the Municipality;
- (g) public service infrastructure;
- (h) informal settlements, i.e. settlements which occur on land which is not subdivided into residential erven;
- (i) property –
 - (i) acquired through the Provision of Land and Assistance Act, 1993 (Act no 126 of 1993), or the Restitution of Land Rights Act, 1994 (Act no 22 of 1994); or
 - (ii) which is subject to the Communal Property Association Act, 1996 (Act no 28 of 1996);
- (j) conservation areas;
- (k) properties on which national monuments are proclaimed;

- (l) properties owned by the following public benefit organizations and used for the corresponding public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, no 58 of 1962; [Also refer to paragraph 9(2) and 10(2) hereof.]
 - (1) * welfare and humanitarian organizations
 - * cultural organizations
 - * sporting organizations
 - * conservation, environmental and animal welfare organizations
 - * health care organizations
 - (2) education and development
- (m) properties used for multiple purposes corresponding with the permitted use of the property in terms of the municipality's zoning scheme regulations, and
- (n) the special geographical areas Jakkalsfontein and Grotto Bay.

CATEGORIES OF OWNERS

- 7. (1) For the purpose of this policy and in terms of section 15(2) of the Act the following categories of owners will be recognised-
 - (a) owners who are registered as indigent owners in accordance with the Municipality's credit control and debt collection policy;
 - (b) the owner of a dwelling unit who is 60 years of age or more in the case of a female and 65 years of age or more in the case of a male and where the income of such an owner plus the income of his/her spouse is equal to or less than twice the old age grant paid by the State to qualifying beneficiaries as from time to time determined by the Minister of Welfare plus 10%;
 - (c) owners of property situated within an area affected by-
 - (i) a disaster within the meaning of the Disaster Management Act, 2002 (No. 57 of 2002);
 - (ii) any other serious adverse social or economic conditions;
 - (d) owners of residential properties of which the market value is lower than an amount determined by the municipality.

DIFFERENTIAL RATES

8. (1) Property tax calculated at a uniform rate, as determined by the council from time to time, shall be payable on all categories of properties, save for the properties referred to hereafter, in respect of which a differential rate shall be payable.
- (2) The rate at which property tax shall be levied against the following properties, shall be equal to twenty five percent (25%) of the uniform rate payable in respect of other properties –
- property in the category: agricultural property;
 - that portion of a property in the category: multiple purposes which in terms of section 15(2) of the Act has been apportioned for agricultural purposes.

The differential rate will be calculated as follows:

- (a) a 12.5% reduction due to the fact that the municipality does not normally provide municipal roads on agricultural property;
- (b) a 12.5% reduction due to the fact that the municipality does not normally provide sewerage services on agricultural property;
- (c) a 12.5% reduction due to the fact that the municipality does not normally provide electrical energy on agricultural property;
- (d) a 25 % reduction due to the fact that the municipality does not normally provide water on agricultural property; and
- (e) 12.5% reduction due to the fact that the municipality does not normally provide refuse removal services on agricultural property.

The above-mentioned reductions will be applied throughout irrespective of the fact that some of the services mentioned are in fact provided to a small number of agricultural properties.

EXEMPTIONS

9. (1) To reduce the rates burden and cost of service charges all municipal properties are exempted from property tax, including municipal property which is leased.
- (2) The following properties which have been assigned to the category contemplated in paragraph 6(l) will be exempt from property tax on submission of a valid certificate issued by the SA Revenue Services as proof that the organisation which owns such a property, is registered for tax exemption in terms of the Income Tax Act and provided that the organisation concerned, on a yearly basis on or before 30 September of each year apply on a prescribed form to be exempt from payment of property tax for the ensuing financial year:-
- (a) property registered in the name of a Public Benefit Organisation (Welfare and humanitarian) which is used for the following public benefit activities –
- (i) the care or counselling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children;
 - (ii) the care or counselling of poor and needy persons where more than 90 per cent of those persons to whom the care or counselling is provided are over the age of 60;
 - (iii) the care or counselling of, or the provision of education programmes relating to, physically or mentally abused and traumatised persons;
 - (iv) the provision of disaster relief;
 - (v) the rescue or care of persons in distress;
 - (vi) the provision of poverty relief;
 - (vii) rehabilitative care or counselling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial;
 - (viii) the rehabilitation, care or counselling of persons addicted to a dependence-forming substance or the provision of preventative

and education programmes regarding addiction to dependence-forming programmes;

- (ix) conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa;
 - (x) the promotion or advocacy of human rights and democracy;
 - (xi) the protection of the safety of the general public;
 - (xii) the promotion or protection of family stability;
 - (xiii) the provision of legal services for poor and needy persons;
 - (xiv) the provision of facilities for the protection and care of children under school-going age of poor and needy parents;
 - (xv) the promotion or protection of the rights and interest of, and the care of, asylum seekers and refugees;
 - (xvi) community development for poor and needy persons and anti-poverty initiatives, including:
 - the promotion of community-based projects relating to self-help, empowerment, capacity building, skills development of anti-poverty;
 - the provision of training, support or assistance to community based projects contemplated in the previous paragraph; or
 - the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation; and
 - (xvii) the promotion of access to media and a free press.
- (b) property registered in the name of a Public Benefit Organisation (cultural) which is used for the following public benefit activities –
- (i) the advancement, promotion or preservation of the arts, culture or customs;
 - (ii) the promotion, establishment, protection, preservation or maintenance of areas, collections or building of historical or

- cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries; and
- (iii) the provision of youth leadership or development programmes.
- (c) property registered in the name of a Public Benefit Organisation (Sport) which is used for the following public benefit activities –
- (i) the administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a passtime.
- (d) property registered in the name of a Public Benefit Organisation (conservation, environmental and animal welfare) which is used for the following public benefit activities –
- (i) engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere;
- (ii) the care of animals, including the rehabilitation, or prevention of the ill-treatment of animals; and
- (iii) the promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects.
- (e) property registered in the name of a Public Benefit Organisation (health care) which is used for the following public benefit activities –
- (i) the provision of health care services to poor and needy persons;
- (ii) the care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard;
- (iii) the prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS;
- (iv) the care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard;
- (v) the provision of blood transfusion, organ donor or similar services; and
- (vi) the provision of primary health-care education, sex education or family planning.

- (3) The following property which has been assigned to the category: agricultural purposes in terms of paragraph 6(d)(ii) shall be exempt from property tax, provided that the owner thereof, on a yearly basis on or before 30 September of each year apply on a prescribed form to be exempt from payment of property tax for the ensuing financial year –
- (i) property registered in the name of an agricultural society affiliated to or recognised by the South African Agricultural Union, which is used for the purposes of such a society.
- (4) The following properties shall also be exempt from property tax -
- (a) properties which have been assigned to the category: informal settlements in terms of paragraph 6(h);
 - (b) properties which have been assigned to the category: conservation areas in terms of paragraph 6(j), or that portion of a property in the category: multiple purposes which in terms of section 9 of the Act has been apportioned for conservation area purposes in accordance with paragraph 6(m), and
 - (c) properties which have been assigned to the category public service infrastructure in terms of paragraph 6(g).

Category of owners

- (5) To correct imbalances of the past, owners of residential properties with a market value of R30 000,00 or less, which have been assigned to the category contemplated by paragraph 7(1)(d), shall be exempt from property tax.

The R15 000,00 exemption as contemplated by section 17(1)(h) of the Act shall be deemed to be included in the amount of R30 000,00.

REBATES

Categories of properties

10. (1) The municipality may grant rebates to rateable industrial enterprises that promote local, social and economic development in its area of jurisdiction,

based on its Local, Social and Economic Development Policy. The following criteria will apply:-

- job creation in the municipal area;
- social upliftment of the local community; and
- creation of infrastructure for the benefit of the community.

For purposes hereof an industrial enterprise shall deem to be an enterprise which is lawfully conducted from a premises which is zoned for industrial purposes in terms of the municipality's zoning scheme and which ordinarily employ at least 25 or more full time employees on such a stand.

Rebates must be phased out within five years from the date that the rebate was granted for the first time. Rebates will be granted on application subject to:

- (a) a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - (b) a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - (c) an assessment by the municipal manager indicating that the company qualifies; and
 - (d) a council resolution.
- (2) Rebates on property tax payable in respect of the following properties which have been assigned to the category contemplated in paragraph 6(l) will be exempt from property tax on submission of a valid certificate issued by the SA Revenue Service as proof that the organisation which owns such property, is registered for tax exemption in terms of the Income Tax Act and provided that the organisation concerned, on a yearly basis on or before 30 September of each year apply on a prescribed form for a rebate on tax payable for the ensuing financial year:

- (a) property registered in the name of a Public Benefit Organisation (education and development) which is used for the following public benefit activities –
- (i) the provision of education by a “school” as defined in the South African Schools Act, 1996, (Act No. 84 of 1996);
 - (ii) the provision of “higher education” by a “higher education institution” as defined in terms of the Higher Education Act, 1997, (Act No. 101 of 1997);
 - (iii) “adult basic education and training”, as defined in the Adult Basic Education and Training Act, 2000, (Act No 52 of 2000), including literacy and numeracy education;
 - (iv) “further education and training” provided by a “public further education and training institution” as defined in the Further Education and Training Act, 1998, (Act No. 98 of 1998);
 - (v) training for unemployed persons with the purpose of enabling them to obtain employment;
 - (vi) the training or education of persons with a severe physical or mental disability;
 - (vii) the provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph (ii);
 - (viii) the provision of educare or early childhood development services for pre-school children;
 - (ix) training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government;
 - (x) the provision of school buildings or equipment for public schools and educational institutions engaged in public-benefit activities contemplated in subparagraphs (i) to (viii);
 - (xi) career guidance and counselling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (i) and (ii);
 - (xii) the provision of hostel accommodation to students of a public benefit organisation, institution, board or body;

- (xiii) programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in subparagraphs (i) to (vii);
- (xiv) educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- (3) Rebates on taxes payable on properties which have been assigned to the special geographical areas of Jakkalsfontein and Grotto Bay in terms of paragraph 6(n) will be granted in accordance with the following criteria:
- (a) a 12.5% rebate due to the fact that the municipality is not responsible for the upkeep of streets;
 - (b) a 12.5% rebate due to the fact that the municipality is not required to provide sewage services;
 - (c) a 12.5% rebate due to the fact that the municipality is not required to provide electrical energy;
 - (d) a 25% rebate due to the fact that the municipality is not required to provide water;
 - (e) a 12.5% rebate due to the fact that the municipality is not required to provide refuse removal services.
- (4) A rebate shall also be granted in respect of -
- (a) property assigned to the category as contemplated by paragraph 6(e), and
 - (b) property assigned to the category: national monuments in terms of paragraph 6(k).

Categories of owners

- (5) Rebates on property tax payable shall be granted to owners of dwelling units assigned to the category as contemplated by paragraph 7(1)(b) and who comply with the following requirements, provided that owners who qualify, on or before 30 September of each year, apply on the prescribed form for such a rebate on rates payable for the ensuing financial year:-
- he/she must be the registered owner of the property;

- the income of the owner together with the income of his/her spouse must be equal to or less than two times the old age pension as determined by the Minister of Welfare payable by the state to qualifying beneficiaries plus 10%;
- the owner must be 60 years of age in the case of females and 65 years or older in the case of males;
- the owner must occupy the property;
- in the case of a semi detached house of which a section is rented out the rebate will only apply to the tax that is payable on that portion occupied by the owner.
- no age requirement will apply if the owner is a disabled person in receipt of a disability pension.

Applications must be accompanied by the following details:

- a certified copy of the identity document of the owner or any other proof of the owners age which is acceptable to the municipality;
- sufficient proof of income of the owner and his/her spouse subject to the condition that the municipality may require an affidavit in this regard; and
- if the owner is a disabled person satisfactory proof of a disability pension payable by the state must be supplied to the municipality.

- (6) Rebates on property tax payable by owners of properties assigned as contemplated by paragraph 7(1)(a) and who are registered as indigent owners in terms of the municipality's credit control and debt collection policy, shall be granted to an amount equal to the tax payable on the first R30 000,00 of the valuation of such a property, subject to the provisions contained in that policy.

The effect hereof will be that such an owner will still be liable for payment of property tax in respect of the valuation of the particular property in excess of R30 000,00.

The R15 000,00 exemption as contemplated in section 17(1)(h) of the Act shall be deemed to be part of the R30 000,00.

APPLICATIONS FOR EXEMPTION/REBATES

11. Where it is, in terms of paragraphs 9 and 10 hereof, required for application to be made for exemption of tax or the granting of a rebate on tax, such applications must be made on a prescribed form which may be obtained from the chief financial officer.

The following particulars must be supplied on the prescribed form:-

- personal particulars of the applicant;
- postal address of the applicant;
- erf or lot no. of the property in respect of which application is made, as depicted in the municipality's valuation records;
- a description of the purpose for which such property is used, and
- any other particulars which the municipality may from time to time deem necessary.

All applications for exemption of tax or a rebate on tax must be considered by the chief financial officer or his delegate.

The chief financial officer or his delegate shall be entitled to refuse approval of an application for exemption of tax or a rebate on tax if –

- the particulars furnished on the application form are incomplete, not correct or false; and
- the application form is not received on or before the due date determined for such applications.

REDUCTIONS

Categories of owners

12. (1) reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by fire damage, demolishen or floods.

- (2) The reduction will be subject to a certificate issued for this purpose by the municipal valuator.

RATE ADJUSTMENTS

13. (1) The municipality will consider adjusting rates annually during the budget process.
- (2) Rate adjustments will be used to finance operating costs of community services.
- (3) Relating to community services the following annual adjustments will be made:-
- (i) all salary and wage adjustments as agreed at the National Bargaining Council;
 - (ii) an inflation adjustment for general expenditure, repairs and maintenance and contributions to funds; and
 - (iii) additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (4) Extraordinary expenditure not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an adjustment in property rates.
- (5) All adjustments in the property rates will be communicated to the local community in terms of the council's policy on community participation.

MULTI PURPOSE USE OF PROPERTIES

14. Property tax on properties which have been assigned to the category: multiple purposes shall be levied at the applicable rate as contemplated by section 9(2) of the Act.

COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING IN OF RATES

15. (1) During the budget process the chief financial officer must inform council of all the costs associated with the suggested exemptions, rebates, reductions, phasing in of rates and grant-in-lieu of rates .

- (2) Provision must be made in the operating budget for –
- (a) the full potential income associated with property rates; and
 - (b) the full costs associated with exemptions, rebates, reductions, phasing in of rates and grants-in-lieu of rates.

PAYMENT ARRANGEMENTS

16. It is hereby placed on record that the following matters in connection with taxes payable on a property are regulated in accordance with the provisions of the municipality's credit control and debt collection policy and the regulations promulgated in terms thereof:-

- the date on which taxes become due;
- the last date on which taxes which are levied monthly as well as annually, must be paid;
- interest on taxes in arrear; and
- steps against defaulters.

USE UTILIZATION OF PROPERTY

17. Where it becomes necessary in accordance with the provisions of this policy, to determine for what purpose a property is used, the permitted use of such a property, as contemplated by section 8(1)(b) of the Act, shall be decisive.

DATE OF IMPLEMENTATION OF POLICY

18. This policy takes effect on the date on which the first valuation roll prepared in terms of the Property Rates Act no 6 of 2004 is to be implemented.

SHORT TITLE

19. This policy is the Property Rates Policy of the Swartland Municipality.