

**SWARTLAND MUNICIPALITY**

**PROPERTY RATES POLICY**

**REVIEWED AND AMENDED**

**MAY 2026**

**for the Financial Year 2026/2027**

In terms of section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), the Swartland Municipality hereby adopts the following Property Rates Policy –

## **Table of Contents**

1. Definitions
- 1A. Purpose of the policy
- 1B. Application
2. Policy principles
3. Levying of rates
4. Categories of property
5. Categories of owners
6. Differential rates
7. Exemptions
8. Rebates
9. Application of rates
10. Application for exemption or rebate
11. Reductions
12. Rate adjustments
13. Multiple purpose use of properties
14. Costs of exemptions, rebates, reductions and phasing in of rates
15. Payment arrangements
16. Utilisation of property
17. Compliance to the POPIA

### **1. Definitions**

In this policy, unless the context otherwise indicates –

**“agricultural property”** in relation to the use of a property, means property that is primarily used for agricultural purposes, but without derogating from section 9 of the Act, excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game;

**“annually”** means once every financial year;

**“business property”** means property used for the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business and includes property that does not fall into any other category of property;

**“category”** –

- (a) means a category of property determined based on the use of the property in terms of section 8 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) a protected area listed in terms of section 10 of the Protected Areas Act, 2003 (Act 57 of 2003);
- (b) a nature reserve established in terms of the Nature and Environmental Conservation Ordinance, No 19 of 1974; or
- (c) 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/or flora in perpetuity and the products of such land are not being traded for commercial gain;

**“council”** means the municipal council of the Swartland Municipality referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**“disabled person”** means a person who receives a disability grant from the Department of Social Development;

**“exclusion”** in relation to a municipality’s rating power, means a restriction of that power as provided in section 17 of the Act;

**“Exemption”** in relation to the payment of rates, means an exemption granted in terms of section 15 of the Act;

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

**“Income Tax Act”** means the Income Tax Act, 1962 (Act 58 of 1962);

**“industrial property”** means a property used as a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved, including the processing, storage and warehousing of the products and includes any other incidental facilities on the property;

**“land tenure right”** means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991);

**“local community”** means –

that body of persons comprising –

- (a) the residents of the municipality;

- (b) the ratepayers of the municipality;
- (c) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
- (d) 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

more specifically includes the poor and other disadvantaged sections of such body of persons;

**“market value”** means the value of the property determined in accordance with section 46 of the Act;

**“mining property”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002);

**“multiple purposes”** means the use of a property for more than one purpose subject to section 9 of the Act;

**“municipal property”** means property of which the municipality is the owner and used for municipal services;

**“municipal valuer”** means a person designated as a municipal valuer in terms of section 33(1) of the Act;

**“municipality”** means the Swartland Municipality established in terms of Section 21 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

**“municipal manager”** means a person appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

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

**“Office bearer”**, in relation to places of public worship, means the primary person who officiates at services at that place of worship.

**“Official residence”**, in relation to places of public worship, means

- (a) a portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship, 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.

**“owner” –**

- (a) in relation to a property referred to in paragraph (a) of the definition of **“property”**, means a person in whose name ownership of the property is registered;
- (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;
  - (i) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
  - (ii) in relation to a share in a share block company, means the share block company as defined in the Share Blocks Control Act, 1980 (Act 59 of 1980);
  - (iii) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f) of the Act, means the holder of the mining right or the mining permit;
- (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”**, 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 may for the purposes of this policy 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 a deceased estate;
- (iii) a trustee or liquidator in an insolvent estate or in liquidation;
- (iv) a judicial manager in the estate of a person under judicial management;
- (v) a curator in the estate of a person under curatorship;
- (vi) a usufructuary or other person in whose name a usufruct or other personal servitude is registered that is subject to a usufruct or other personal servitude;
- (vii) a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (viii) a lessee in the case of a property that is registered in the name of the municipality and is leased by it.

**“POPIA”** means the Protection of Personal Information Act 4 of 2013

**“permitted use”** 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;

**“protected area”** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003), excluding any residential or other properties located therein;

**“public benefit organisation property”** means property owned by public benefit organisations and used for any specified public benefit activities listed in Part I of the Ninth Schedule to the Income Tax Act;

**“public service infrastructure”** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services, or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps 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 communications 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
- (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);

**“public service purposes”** in relation to the use of a property means property owned and used by an organ of state as-

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,

but excludes property contemplated in the definition of “public service infrastructure”;

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

**“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”** means a discount on the amount of the rates payable on the property;

**“reduction”** 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 a property included in a valuation roll in terms of section 48(2)(b) of the Act as residential in respect of which the primary use or permitted use is for residential purposes, without derogating from section 9 of the Act;

**“senior citizen”** means a pensioner that reached retirement age, who is 60 years or older in the financial year for which the application for rebate is made, irrespective of his or her age at the time of application and no longer meaningfully employed; (part time employment excluded);

**“the Act”** means the Municipal Property Rates Act, 2004 (Act 6 of 2004) as amended from time to time and includes regulations made in terms of section 83; and

**“vacant land”** means land on which no immovable improvements have been made as determined by the Municipal Valuer.

### **1A. Purpose of the policy**

The purpose of the policy is –

- (a) to comply with the provisions of section 3 of the Act; and
- (b) to determine criteria to be applied for –
  - (i) the levying of different rates for different categories of properties;
  - (ii) exemptions;
  - (iii) reductions and rebates; and
  - (iv) rate increases or decreases;
- (c) to determine or provide criteria for the determination of –
  - (i) categories of properties for the purpose of levying different rates; and
  - (ii) categories of owners of properties or categories of properties, for the purpose of granting of exemptions, rebates and reductions;
- (d) to determine how the municipality’s powers must be exercised in relation to multiple purpose properties;
- (e) to identify and quantify in terms of cost and benefit to the community –
  - (i) exemptions, rebates and reductions;
  - (ii) exclusions; and
  - (iii) rates on properties to be phased in;
- (f) to take into account the effect of rates on the poor;
- (g) to take into account the effect of rates on organisations which are conducting particular public benefit activities and are registered in terms of the Income Tax Act for tax exemptions, in respect of those activities;
- (h) to take into account the effect of rates on public service infrastructure;
- (i) to allow the municipality to promote local economic and social development;
- (j) to identify all rateable property;
- (k) to ensure that any exemptions, rebates or reductions provided for in this policy comply and be implemented in accordance with a national framework after consultation with organised local government; and
- (l) to ensure that the municipality does not grant relief in respect of the payment of a rate –

- (i) to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in this policy; or
- (ii) to the owners of properties on an individual basis.

## **1B. Application**

This property rates policy shall be applicable in respect of the financial year 1<sup>st</sup> July 2024 until 30<sup>th</sup> June 2025.

## **2. Policy principles**

- (1) The levying of a tax rate on a property is an exclusive power of the municipality in terms of Section 229 of the Constitution of the Republic of South Africa which will be applied with due regard to the total revenue pool of the municipality.
- (2) In terms of Section 4(1)(c) of the Local Government: Municipal Systems Act, 1998 (Act 117 of 1998) a municipality has the right to finance the affairs of that municipality by imposing, inter alia, rates on property.
- (3) In terms of Section 2 of the Act a municipality may levy a rate on property in its area.
- (4) This Policy is adopted in terms of Section 3 of the Act.
- (5) This Policy must be read together with and is subject to the provisions of the Act and the Swartland Municipality: Municipal Property Rates By-Law.
- (6) The rating of property will be done impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions and rebates contemplated in section 15 of the Act.
- (7) 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.
- (8) Property rates may be levied to correct the imbalances of the past and to minimise the effect of rates on the poor.
- (9) Rates will be levied in proportion to the market value of the property;
- (10) The rates will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account surpluses generated on trading and economic services and the amounts required to finance exemptions, rebates, reductions and phasing in of rates as approved by the council.

- (11) Trading and economic services must be ring fenced and tariffs and service charges calculated, whenever possible in such a manner that the income generated covers the cost of the services or generates a surplus;
- (12) Property rates may be used to finance community services.
- (13) Surpluses on trading and economic services may be used to subsidise community services.
- (14) 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.
- (15) The revenue base of the municipality must be protected by limiting reductions, exemptions and rebates.
- (16) The General Valuation Roll with base date 1 July 2023 (updated with Supplemental Valuation Rolls that may be implemented during its period of validity) and which will be implemented on 1 July 2024, determines the market values on which rates will be charged in terms of this policy.

### **3. Levying of rates**

- (1) Subject to the provisions of subparagraph (2), the municipality must levy rates on all rateable property in its area of jurisdiction at a rate to be fixed in terms of section 14 of the Act.
- (2) Rates may not be levied –
  - (a) as contemplated in terms of section 17 of the Act;
  - (b) on property of the municipality;
  - (c) on public services infrastructure which is the property of a municipal entity;
  - (d) property referred to in section 7(2)(a)(iii) and (iv) of the Act; and
  - (e) property exempted in terms of paragraph 7 hereof.

### **4. Categories of property**

- (1) Properties may be categorised as follows according to the use of the property, the permitted use of the property, or a combination of the two –
  - (a) residential properties;
  - (b) vacant land;
  - (c) industrial properties;
  - (d) mining properties;
  - (e) business and commercial properties;
  - (f) agricultural properties;
  - (g) public service infrastructure properties;
  - (h) properties owned by an organ of state and used for public service purposes;

- (i) informal settlements including those on land which are not subdivided into residential erven;
- (j) properties owned by public benefit organisations and used for specified public benefit activities –
- (k) properties used for multiple purposes subject to section 9 of the Act.

## **5. Categories of owners**

- (1) In terms of section 15(2) of the Act the following categories of owners will be recognised –
  - (a) owners who qualify for indigent support in terms of the municipality’s Indigent Policy;
  - (b) owners of property situated within an area affected by –
    - (i) a disaster within the meaning of the Disaster Management Act, 2002 (Act 57 of 2002); or
    - (ii) any other adverse social or economic conditions;
  - (c) owners of residential properties of which the market value is lower than an amount determined by the municipality; and
  - (d) an owner of residential property who is a senior citizen or a disabled person.

## **6. Differential rates**

- (1) In terms of section 8 of the Act the municipality may levy differential rates for different categories of rateable property.
- (2) A rate equal to 25% or such lesser rate as the municipality may determine, of the rate applicable to residential properties shall be levied in respect of –
  - (a) agricultural property used for agricultural purposes; and
  - (b) that portion of a property in the category “**multiple purposes**” which has been apportioned for agricultural purposes in terms of section 15(2) of the Act.

## **7. Exemptions**

- (1) To reduce the rates burden and cost of service charges all municipal properties (used for municipal services) are exempted from property tax, including municipal property which is leased.
- (2) The following properties will also be exempt from rates (i.e exempted from paying any rates) –
  - (a) property used as conservation areas and protected areas as defined in section 1 of this policy ;
  - (b) 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 for, or counselling of abandoned, abused, neglected, orphaned or homeless children or the provision of education programmes relating to such children;

- (ii) the care for, or counselling of poor and needy persons where more than 90% of the persons to whom the care or counselling is provided are over the age of 60 years;
  - (iii) the care for, or counselling of physically or mentally abused and traumatised persons or the provision of education programmes relating to such 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, 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 substances;
  - (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 interests of, and the care of, asylum seekers and refugees;
  - (xvi) community development for poor and needy persons and anti-poverty initiatives, including –
    - (aa) the promotion of community based projects relating to self-help, empowerment, capacity building, skills development or anti-poverty;
    - (bb) the provision of training, support or assistance to community based projects contemplated in paragraph (aa); or
    - (cc) 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
    - (dd) the promotion of access to media and a free press.
- (c) 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 buildings 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.
- (d) property registered in the name of a public benefit organisation (sport) which is used for the administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.
- (e) property owned by public benefit organisations and used for any public benefit activity listed in item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.
- (f) 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 education and training programmes relating to environmental awareness, greening, clean-up or sustainable development projects.
- (g) property registered in the name of a public benefit organisation (healthcare) which is used for the following public benefit activities –
  - (i) the provision of healthcare services to poor and needy persons;
  - (ii) the care or counselling of terminally ill persons or persons with a severe physical or mental disability, and the counselling 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, counselling or treatment of persons afflicted with HIV/AIDS, including the care or counselling 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 healthcare education, sex education or family planning.
- (h) property registered in the name of an agricultural society affiliated to or recognised by a bona fide agricultural union, which is used for the purposes of such a society shall be exempt from rates, provided

that the owner thereof applies annually on or before 30 September for exemption for the ensuing financial year.

- (i) property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship, may be exempted from property rates provided that the owner make an official application annually on or before 30 September for the exemption of rates for the ensuing financial year. The municipality reserves the right to annually review, suspend or withdraw such exemption should the requirements not be complied with.
- (j) property registered in the name of a public benefit organisation (PBOs) and used for a specified public benefit activity or activities, must apply annually confirming their status and continued eligibility. The Municipality reserves the right to annually review, suspend or withdraw such exemption should the requirements not be complied with.

**8. Rebates ( for purposes of the 2026-2027 financial year, please refer to the 2025-2026 published resolutions)**

- (1) The municipality may grant rebates (only in cases specifically so determined by the council from time to time and subject to budgetary provision) to industrial enterprises that promote local, social and economic development in the municipality's area of jurisdiction.
- (2) The following criteria shall be taken into consideration for applications by industrial enterprises –
  - (a) Job creation in the municipal area;
  - (b) Social upliftment of the local community; and
  - (c) Creation of infrastructure for the benefit of the community.
- (3) For purposes of rebates an industrial enterprise shall be considered to be an enterprise which is lawfully conducted from premises zoned for industrial purposes in terms of the municipality's zoning scheme and which employs at least 25 or more fulltime employees on such premises.
- (4) Rebates to industrial enterprises shall be phased out within five years from the date on which the rebate was granted for the first time.
- (5) Rebates to industrial enterprises may be granted on application subject to –
  - (a) the submission of a business plan indicating how the local, social and economic development objectives of the municipality are going to be achieved;
  - (b) the submission of a continuation plan certified by auditors of the enterprise stating that the objectives have been met in the first year

- after establishment and how the enterprise plans to continue to achieve the objectives; and
- (c) an assessment and confirmation by the municipal manager that the enterprise qualifies.
- (6) Rebates may be granted in respect of the following properties
- (a) properties registered in the name of a public benefit organisation (education and development) which are 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 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 101 of 1997);
  - (iii) adult basic education and training, as defined in the Adult Basic Education and Training Act, 2000 (Act 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 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, institutions, 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 education institutions as envisaged in subparagraphs (i) to (viii);
- (xiv) educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- (b) residential properties of owners as categorised in paragraph 5(a), of which the value exceeds the limit as determined in the municipality's Indigent Policy, subject to compliance with the following requirements –
- (i) application for a rebate must be submitted annually before 30 September for the ensuing financial year –
  - (ii) the applicant must be the registered owner of the property; and
  - (iii) the owner must occupy the property;
- to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R 400 000 with the proviso that such owner can only qualify either in terms of the Indigent Policy or this policy, subject to any conditions imposed. Such owner shall still be liable for payment of rates on the valuation which exceeds the amount determined above. The R15 000 exemption in terms of section 17(1)(h) of the Act shall be excluded from the amount above.
- (c) residential properties of owners as categorised in paragraph 5(d), to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R 400 000, subject to compliance with the following requirements –
- (i) application for a rebate must be submitted to the municipality by 30 September annually in respect of the ensuing financial year;
  - (ii) the applicant must be the registered owner of the residential property concerned and must occupy such property as his or her normal residence;
  - (iii) the applicant must be a natural person, and a South African citizen. If not a South African citizen, he or she must be the registered owner of the property within the jurisdiction of the municipality and must submit proof of his or her permanent residency in the Republic of South Africa;
  - (iv) the applicant must provide evidence that he or she is indeed a senior citizen, or in receipt of a disability pension from the Department of Social Development;
  - (v) where the owner owns more than one property, a rebate will be granted only on the occupied property;

- (vi) where the applicant occupies a residential property as the usufructuary thereof, he or she must satisfy the occupancy requirement; and
- (vii) such owner shall still be liable for payment of rates on the valuation which exceeds the amount above which is subject to the determination annually<sup>1</sup> during the budget process. The R15 000 exemption in terms of section 17(1)(h) of the Act shall be excluded from the amount above.

**9. Application of rates and Quantification of rebates to certain categories of owners in the form of a rebate or zero rated rates**

The municipality shall levy rates for the different categories of rateable property as follows:

		Cent amount in the Rand rate
(1)	Residential properties	0.005831
(2)	Vacant land	0.008726
(3)	Industrial properties	0.009721
(4)	Business and commercial properties	0.009721
(5)	Agricultural properties (used for agricultural purposes)	0.001458
(6)	Mining properties	0.009721
(7)	Properties owned by an organ of state and used for public service purposes	0.009721
(8)	Public service infrastructure	0.001458
(9)	100% rebate to owners of public benefit organisations used for the public benefit listed activities	0.00
(10)	Municipal properties	0.00
(11)	Informal settlements, including those on land which are not subdivided into residential erven	0.00
(12)	Conservation areas	0.00
(13)	Protected areas (excluding residential or other properties located therein)	0.00
(14)	National monuments	0.00

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<sup>1</sup>

(15)	A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R400 000	Qualifying indigent, senior citizens and disabled persons
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<sup>1</sup> Determined on 29 May 2025, that the rebate amount of R300 000 will increase to R400 000 for the 2026/27 financial year.

## **10. Application for exemption or rebate**

- (1) Application for an exemption or a rebate must be made on the application form, the content of which and information required therein shall be determined by the Chief Financial Officer.
- (2) Applications must be submitted annually by 30 September to qualify for an exemption or rebate for the ensuing financial year.
- (3) Late applications after 30 September may be considered in the sole discretion of the Chief Financial Officer.
- (4) All applications for an exemption or a rebate must be considered by the Chief Financial Officer or his delegate.
- (5) The Chief Financial Officer or his delegate may refuse an application for exemption or a rebate if –
  - (a) the information furnished on the application is incomplete, incorrect or false; or
  - (b) the application form is not received on or before the due date determined for such applications.
- (6) Applications by senior citizens or disabled persons must be accompanied by the following –
  - (a) a certified copy of the identity document of the owner or any other proof of the owner’s age, provided that no age requirement will apply if the owner is a disabled person in receipt of a disability grant; and
  - (b) proof of a disability grant where applicable.

## **11. Reductions**

- (1) Reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act may be granted where the value of a property is affected by fire damage, demolition or floods.
- (2) The reduction will be subject to a certificate issued by the municipal valuer.

## **12. Rate adjustments**

- (1) The municipality may adjust rates annually during the budget process.
- (2) Rate adjustments may be used to finance operating costs of community services.
- (3) The following annual adjustment’s impact will form part of the consideration in determining the adjustment in rates on an annual basis:
  - (a) all salary and wage adjustments as agreed at the National Bargaining Council;

- (b) an inflation adjustment for general expenditure, repairs and maintenance and contributions to funds; and
  - (c) additional depreciation costs of 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 must be communicated to the local community in terms of the legislative requirements relating to the annual approval of budgets.

### **13. Multiple purpose use of property**

The municipality shall apportion the market value of a property used for multiple purposes in a manner determined by the municipal valuer and shall apply the rates applicable to the different categories determined by it subject to the permitted use.

To prevent fruitless and wasteful expenditure, the municipal valuer will only apply this category when it is considered reasonable to apportion the value for each distinct use of the property for billing at the appropriate rate(s).

### **14. Costs of exemptions, rebates, reductions and phasing in of rates**

- (1) During the budget process the Chief Financial Officer shall inform council of the estimated costs associated with the suggested exemptions, rebates, reductions as well as the cost of phasing in of rates and grants 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 estimated costs associated with exemptions, rebates, reductions, phasing in of rates and grants in lieu of rates insofar as the aforementioned impacts revenue foregone.

### **15. Payment arrangements**

The following matters shall be dealt with in terms of the municipality's credit control and debt collection policy –

- (a) the date on which rates become due;
- (b) the due date for payment of rates which are levied monthly as well as annually;
- (c) interest on taxes in arrears; and
- (d) steps against defaulters.

**16. Utilisation of property**

Where it is necessary to determine the use of property, the permitted use of such a property, as contemplated in section 8(1)(b) of the Act, shall be decisive.

**17. Compliance to the POPIA**

All personal information shall be processed subject to the minimum conditions for lawful processing in terms of POPIA: