



KWADUKUZA **MUNICIPALITY**

RATES BY-LAWS

KWADUKUZA
M U N I C I P A L I T Y

RATES BY-LAWS

The KwaDukuza Municipality, acting under the authority of section 156 (2) of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996) read with section 11 (3) (m) and section 12 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), and Section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), hereby publishes the Rates Bylaws which bylaws come into effect on date of promulgation as of/from the issue of the this gazette.

ARRANGEMENT OF SECTIONS

Section

- 1. Definitions**
- 2. Rating of property**
- 3. Principles**
- 4. Categories of property**
- 5. Establishment of Base Property, Category for the purpose of differentiation**
- 6. Criteria for differential rating for different categories of Properties**
- 7. Criteria for rating multiple use property**
- 8. Weighting**
- 9. Criteria for exemption, rebates and reductions**
- 10. Granting of exemptions, rebates and reductions**
- 11. Identification and quantification of costs and benefits**
- 12. Council owned properties**
- 13. Payment of rates**
- 14. Short Title**
- 15. Commencement**

16. Repeal

DEFINITIONS

1. In these by-laws, unless the context indicates otherwise –

“Act”

means the Local Government: Municipal Property Rates Act (No. 6 of 2004) and the regulations as promulgated in terms of the said Act.

“Abandoned property or building category”

means where a property or the buildings on a property have been abandoned and have become or are becoming derelict or unusable in its present condition for the purpose for which it was intended, the Municipality may change the category of the relevant property to the Abandoned Property or Building” category.

“Ägent”

means in relation to the owner of a property, means a person appointed by the owner of the property.

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner.

“Agricultural property”

means property that is used primarily 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 purpose of eco-tourism or for the trading in or hunting of game.

“Amendment Act”

means the Local Government: Municipal Property Rates Amendment Act No. 29 of 2014

“Annually”

means once every financial year.

“Appeal Board”

means a valuation appeal board established in terms of Section 56 of the Act.

“Assistant Municipal Valuer”

Means a person designated as an assistant municipal valuer in terms of Section 35(1) or (2) of the Act.

“Bed and breakfast”

means an establishment, which is primarily a dwelling and makes excess rooms available to transient’s guests. The bathrooms may or may not be en suite. This establishment may be managed by the owner and or designated person. Breakfast may be available for all guests. Public areas are usually shared by guests and owners/hosts alike.

“Business and Commercial property” means:

- a) Property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity.
- b) Property on which the administration of the business of private or public entities take place.
- c) Property used for the provision of commercial accommodation.
- d) Property used for education purposes.
- e) Property used by the State or any organ of State; or
- f) Property excluded from any other category of property.

“Category”

- a) In relation to property, a category of properties determined in terms of Section B.
- b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act

“Child Headed Household”

A household headed by a person under the age of 21years old as stipulated in the Council’s Indigent Policy.

“Data Collector”

Means a person designated as a data- collector in terms of section 36 of the Act.

“Date of valuation”

Means the date determined by a municipality in terms of Section 31(1) of the Act

“Day”

means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday.

“Disaster”

Means a disaster within the meaning of the Disaster Management Act (Act 57 of 2002) which means a progressive or sudden, widespread or localized, natural or human-caused occurrence which –

- a) causes or threatens to cause –
 - i) death, injury or disease
 - ii) damage to property, infrastructure or the environment,
or
 - iii) significant disruption of the life of a community; and
- b) is of a magnitude that exceeds the ability of those affected by the disease to cope with its effects using only their own resources
- c) any other major adverse social or economic conditions as adopted by a Council resolution from time to time.

Disaster area”

Means owners of property situated within an area affected by:

- (a) a disaster within the meaning of the Disaster Management Act 57 of 2002,
- (b) any other.

“District Municipality”

A municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in Section 155(1) of the Constitution of the Republic 1996 (Act 108 of 1996) as a category C Municipality.

“Effective Date”

- a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or
- b) 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) of the Act.

“Exclusion”

In relation to a municipality’s rating power, means a restriction of that power as provided for in Section 17 of the Act

“Exemption”

In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.

“Financial year”

Means the period starting from 1 July in a year to 30 June the next year.

“Guesthouse (maximum 12 rooms in S.R. zone)” means an establishment that is purposely built/alterd for the sole use of providing transient guest with accommodation. This establishment shall be occupied by and may be managed by the owner or manager/host/hostess. The public areas are for the exclusive use of the guests. This facility will offer breakfast and depending on location, dinner and other facilities may be offered.

“Income Tax Act”

The Income Tax Act, 1962 (Act No. 58 of 1962

“Indigent” means an owner or person who is in permanent occupation of the property and qualifies for indigent relief in terms of the Municipality’s Indigent Policy which calculated household income as determined by Council from time to time.

“Indigent Policy”

refers to the Indigent Policy as adopted by Council.

“Industrial Property” means property used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw material or fabricated parts or the holding thereof in respect of which capital and labour are involved, and includes—

- (a) The processing of raw products on the property.
- (b) The storage and warehousing of products on the property; and
- (c) Any office or other similar facility on the same property, the use of which is incidental to such activity.

“Land reform beneficiary”

In relation to a property, means a person who: -

- a) acquired the property through-
 - i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
 - ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).
- b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- c) holds or acquires the property in terms of such other land tenure reform legislation as may be pursuant to Section 25(6) and (7) of the Constitution of the Republic 1996 (Act 108 of 1996) be enacted after this Act has taken effect.

“Land tenure right”

means a land tenure right as defined in section 1 of Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991)

“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”

A Municipality that shares municipal executive and legislative authority in its area with the 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.

“MEC for local government”

The member of the Executive Council of a province who is responsible for local government in that province

“Minister”

The cabinet member responsible for local government

“Multiple purposes”,

In relation to a property, means the use of a property for more than one purpose and subject to section 9 (1) (c), 8 (2) (i) and subject to apportionment of value in terms of 9 (2), where the value is apportioned based on the different purposes for which the property is being used and applying the rate applicable to the categories determined by the municipality.

“Municipal council” or “council”

means the council of the KwaDukuza Municipality as constituted in terms of section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998).

“Municipal Finance Management Act”

means The Local Government: Municipality Finance Management Act No 56 of 2003.

“Municipality”-

means the KwaDukuza Municipality-

- (a) established in terms of section 155(6) of the Constitution, 1996, and established by and under section 11 and 12 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), read with sections 3, 4 and 5 of the KwaZulu-Natal Determination of Types of Municipality Act, 2000 (Act No. 7 of 2000) and
- b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1988 (Act No. 27 of 1988).

“Municipal Manager”

A person appointed in terms of Section 82 of the Municipal Structures Act.

“Municipal Structures Act”

The Local Government: Municipal Structures Act, 1988 (Act No. 117 of 1998).

“Municipal Systems Act”

The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

“Municipal Valuer or Valuer of a Municipality”

A person designated as a municipal valuer in terms of Section 33(1) of the Act.

“Newly rateable property” means.

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.

- a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.

“Occupier” means.

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.

“Office Bearer”

Means; in relation to places of public worship, means the primary person who officiates at services at that place of worship.

“Official Residence” means in relations to places of public worships 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 the 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.

“Organ of State”

An organ of state as defined in Section 239 of the Constitution.

“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.
- (bA) in relation to a time-sharing interest contemplated in the Property Time – Sharing control Act (Act No 75 of 1983), means the management association contemplated in terms of Section 12 of the Property Time sharing Control Act, 1983, and published in the Government Notice R327 of 24 February 1984.
- (bB) in relation to a share in a share block company, as defined in the Share Blocks Control Act, 1980 (Act No 59 of 1980)
- (bC) in relation to buildings, other immovable structures and infrastructures referred to in section 17(i)(f), means the holder of the mining right or the mining permit; and
- (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,
- (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 in the definition of “publicly controlled”
provided that a person mentioned below may for the purposes of this Act be regarded by the municipality as the owner of the 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 property in a deceased estate.
 - (iii) a trustee or liquidator, in the case of property in an insolvent estate or in liquidation.
 - (iv) a judicial manager, in the case of property in the estate of a person under judicial management.
 - (v) a curator, in the case of property 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, in the case of 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 the municipality and is leased by it; or
 - (viiA) a lessee, in the case of property to which a land tenure right

- applies and which is leased by the holder of such right or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer.

“Parent property”

A parent property is described as such in a service level agreement, and that has been approved by township development in terms of the Development Facilitation Act, 67 of 1995, the Natal Ordinance No. 27 of 1949, or the KwaZulu – Natal Planning and Development Act, 6 of 2008 and the Spatial Planning and Land Use Management Act 16 of 2013.

“Permitted use”,

in relation to 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.

“Pensioner”

means a senior citizen who receives regular payment from the state or former employer after retirement, or the surviving spouse who receives a regular payment from the former employer of the late spouse, or a natural person, who is over the age of 60 years. In addition, medically boarded pensioners and persons in receipt of a state grant are regarded as pensioners.

“Person” - Includes an organ of state.

“Primary property” means the property on which the owner resides.

“Primary developer”:

a primary developer of a parent property is the legal entity, or successor in title in the event of a sale of a property’s development rights, that entered into a service level agreement with the KwaDukuza Municipality. The description of the parent property must be stated in the service level agreement.

“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) a public service infrastructure.

“Property development”

means a major development primarily for residential properties, but also including such other categories as may be authorized, arising from a DFA or land PTB approval or directly in terms of the Municipality’s Town Planning Scheme, and in which all the internal infrastructure and community facilities are provided by the Primary Developer.

“Property register”

means a register of properties referred to in section 23 of the Act.

“Protected area”

means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act.

“Protected Areas Act”

The National Environmental: Protected Areas Act, 2003 (Act No. 57 of 2003).

“Public benefits organization”

means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act, 1962 (Act No. 58 of 1962) for a tax reduction because of those activities.

“Publicly controlled”

means owned or otherwise under the control of an organ of state, including –

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999).
- (b) a municipality; or
- (c) a municipal entity as defined in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

“Public service infrastructure”

means “Public Service Infrastructure” 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
- (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 assist the safe and efficient navigation of vessels; of 1999).
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i)

“Places of Public Worship”

means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primarily medium, provided that the property is:

- a) registered in the name of the religious community.
- b) registered in the name of a trust established for the sole benefit of a religious community or.
- c) subject to a land tenure right

“Public service purposes”

means a property owned and used by an organ of state as hospitals or clinics, schools, pre-schools, early childhood development centers or further education and training colleges, national and provincial libraries and archives, police stations, correctional facilities, courts of law.

“rate” means a municipal rate on property envisaged in section 229(1)(a) of the Constitution, 1996.

“Ratio”

in relation to section 19 of the Act, means the relationship between the cent amount in the rand applicable to residential properties and different categories of non-residential properties “provided that the two relevant cent amounts in the rand are inclusive of any relief measures that amounts to rebates of a general applicable to all properties within a property category, and

“Rateable property “

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.

“Rates Policy”-: The municipal council must by resolution, adopt a policy on the levying of rates on rateable property in the municipality which must comply with the Section 3 of the Act.

“Rebate”

In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

“Register”

a) means to record in a register in terms of –

1. the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
2. the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
3. Includes any other formal act in terms of any other legislation to record-
4. a right to use land for or in connection with mining purposes; or
5. a land tenure right.

“reduction”,

in relation to a rate payable on property, means the lowering in terms of Section 15 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)(b) in respect of which primarily use or permitted use is for residential purposes without derogating from section 9 of the Act.

“Section Titles Act”

The Sectional Titles Act, 1986 (Act No. 95 of 1986)

“Sectional Title Scheme

A scheme defined in Section 1 of the Sectional Titles Act.

“Sectional Title Unit”

A unit defined in Section 1 of the Sectional Titles Act

“Specified public benefit activity”

means 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, 1962 (Act No. 58 of 1962).

“SPLUMA”

means Spatial Planning and Land Use Management No. 16 of 2013.

“State Trust Land” means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure.
- b) over which land tenure rights were 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)

“The Restitution of Land Rights Act”

means the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

“Unauthorized or illegal development or use category means

- a) where a property is being or, has been developed or is being used without authority or illegally, in contravention of National Legislation, any Municipality’s By-laws or any Regulations, the Land Use Scheme or any

other applicable law, the Municipality may change its category to the “Unauthorized or Illegal development or use.

- b) where an owner or any person occupying privately owned property through such ownership unlawfully encroaches upon adjoining Municipal property, the Municipality will change the category of the offending owner’s property to “Unauthorized or Illegal development or use until such time as the unlawful activity ceases.

“Vacant property” means –

- a) property on which no immovable improvements have been erected; or
- b) in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied

2. RATING OF PROPERTY

2.1 In terms of Section (2)(3) of the Act, the power of the municipality to levy rates on property is subject to -

- (a) Section 229 and other applicable provisions of the constitution
- (b) The provisions of the Act
- (c) The municipality's rates policy: The municipal council must by resolution, adopt a policy on the levying of rates on rateable property in the municipality which must comply with the Act.
- d) these bylaws.

3. PRINCIPLES

The municipality shall utilise the following key principles in the formulation of the rates policy which shall be amended by Council from time to time:

- 3.1 To ensure that rates allocated to properties are basically fair.
- 3.2 To ensure that rates and tariffs levied are basically fair
- 3.3. To ensure that the very poor are assisted.
- 3.4. To encourage a better quality of life for residents.
- 3.5 To promote growth and investment in the municipality of KwaDukuza.
- 3.6. To ensure the long-term viability of KwaDukuza Municipality.

- 3.7. To develop a rating system that is cost efficient to administer.
- 3.8. To ensure that the Council will treat ratepayers with similar properties in the same manner.
- 3.9 . To ensure that the rating system shall be based on the ability to pay principle.
- 3.10 To ensure that the ability of a person to pay rates will be taken into account by the Municipality.
- 3.11 To ensure that the Municipality in dealing with the poor or indigent ratepayers, provides effective relief measures.

4. Criteria for determining categories of property for the purpose of levying different rates

- 4.1.1 Section 8 of the Act provides for different categories of property that may be adopted by Municipalities for the purpose of levying different rates and/or exemptions and rebates. Subject to Section 19 of the Act, the categories of property are determined according to the actual use of the property, permitted use of the property or a combination of both. A change in the use may result in a change in the category of the property.

The municipality has determined categories of rateable properties based on the following criteria:

- a) Use of the property
- b) And/or permitted use

The following are the determined categories of rateable properties by the municipality:

- a) Residential properties,
- b) Industrial,
- c) Business and commercial properties including privately run institutions,
- d) Agricultural properties,
- e) Mining properties,
- f) Public Service Purposes
- g) public service infrastructure properties
- h) Properties owned by public benefit organization's and used for specified

- public benefit activities
- i) Vacant land.
- j) Multiple use properties.
- k) Unauthorized or Illegal development or use, and Abandoned Property or Building.
- l) Municipal Owned Properties
- m) Section 17 Impermissible properties - Mining, National Monument and Heritage properties, protected areas etc as per section 17 (1) of the MPRA

4.2 A change in use may result in a change in the category of the property.

5. ESTABLISHMENT OF BASE PROPERTY CATEGORY FOR THE PURPOSE OF DIFFERENTIATION

- 5.1 The Council shall utilize the Residential Category as the base category against which the rate randage will be measured.

6. CRITERIA FOR DIFFERENTIAL RATING FOR DIFFERENT CATEGORIES OF PROPERTIES

- 6.1. The Council shall utilize the following criteria for weighting the key principle in section 3 above for the purpose of determining the rate randages for each category.
- 6.1.1 The general economic and financial strength or weakness of owners of a category compared to other categories.
 - 6.1.2 The reliance on services supplied by the Municipality.
 - 6.1.3. The weighting adopted by other Municipalities of similar structure, size and value as the KwaDukuza Municipality
 - 6.1.4. The strategic importance of a category with reference to the aims and objectives of the Council and Government.
 - 6.1.5 The nature of the property including its sensitivity to rating for example agricultural properties used for agricultural purposes.
 - 6.1.6 Vacant land will be rated higher (in terms of a Cent in the Rand) as the Municipality is encouraging owners to develop it and also to discourage speculation by owners.

6.1.7 Differential rating among the various property categories will be done by way of setting different Cent in the Rand for each property category rather than by way of reductions and rebates. This is much simpler for citizens to understand and thus promotes the principle of transparency.

7. CRITERIA FOR RATING MULTIPLE USE PROPERTY

- 7.1 Properties used for multiple purposes will, for rating purposes, be dealt with in terms of Section 9(1)(c) of the Act and rates levied on such property will be determined by-
- 7.2 apportioning the market value of the property to the different purposes for which the property is used; and
- 7.3 applying the rates applicable to the appropriate categories listed in clause 4.1, to the different market value apportionments.

8. WEIGHTING

8.1. The Council shall determine the difference in rate randage between the various categories of properties on an annual basis.

9. CRITERIA FOR EXEMPTION, REBATES AND REDUCTIONS

9.1. The Council shall utilise the following criteria for the purpose of rates exemption, rebates and reductions as set out below:

- 9.1.1 The indigent status of the owner of a property.
- 9.1.2 The Council shall determine whether the person/s are poor and/or unemployed and the sources of income of the owner of a property will be taken into account.
- 9.1.3. The pensioner's and applicant's ability to pay.
- 9.1.4. The social or economic conditions of the area where the owners of property is 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.

9.1.5 The market value of residential property below a determined threshold.

9.1.6 Incentives to promote development.

10. GRANTING OF EXEMPTIONS, REBATES AND REDUCTIONS

10.1 The council shall utilise the process as set out in the rates policy for the granting of exemptions, rebates and reductions which shall be amended by council from time to time:

10.1.1 An application by affected persons shall be accompanied by the relevant documents (SARS status, pension or social grant proofs)

10.1 Properties qualifying for Exemption

10.1.1 Protected areas and environmentally sensitive areas

10.1.1.1 The Municipality shall comply with sections 17(1) (e) and Sections 17(2)(a) of the Act and as defined in the rates policy of Council.

10.1.1.2 The Council shall further exempt from rates any environmentally sensitive area that is recognised as such by the Council.

10.1.1.3 The Council shall when an area as indicated in 10.1.1.2 above is located on part of a property that has other land use types, apportion the rates to the other land use types if applicable.

10.1.1.4 The Council shall consider applications in this regard for recognition and approval of the environmentally sensitive areas as determined in the rates policy.

10.1.2 Land reform beneficiaries

10.1.2.1 The Council shall comply with Section 17(1)(g) and section and

Section 21(1)(b) and section 21(5) of the Act in respect of land belonging to land reform beneficiaries.

10.1.3. Properties used for residential purposes

10.1.3.1. The Council shall comply with Section 17(1)(h) and Section 9 of the Act of the Act in respect of residential properties or properties used for multiple use purposes provided one or more components of the property are used for residential purposes.

10.1.3.2 The implementation by council is as determined in the rates policy of Council which may be amended by council from time to time.

10.1.4 Places of Worship

10.1.4.1 The Council shall comply with Section 17(1)(i) of the Act in respect of a property registered in the name of and used primarily as a place of worship by a religious community or zoned as a place of public worship including the official residence registered in the name of that community which is occupied by the office- bearer of that community who officiates at services at that place of worship.

10.2 Properties qualifying for rebates

The following properties will qualify for rebates as indicated-

10.2.1 Newly rateable properties.

10.2.1.1 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;

- (a) property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.

10.2.1.2 The Council shall phase in over a period of 3 years the rating of all newly incorporated properties according to the following percentages:

- 75% discount for the first year
- 50% discount for the second year
- 25% discount for the third year

10.2.2 Public Service Infrastructure

10.2.2.1 The Council may grant a rebate to public service infrastructure as determined in the rates policy of council which may be amended from time to time.

10.2.2.2 This exemption applies to properties and services infrastructure.

10.2.3 Properties owned by an organ of state and used for public service purposes

The following public service properties will be entitled to a separate rate tariff determined by Council from time to time:

- i) Hospitals and clinics
- ii) Schools, pre-schools, early childhood development centres or further education and training colleges
- iii) National and provincial libraries and archives
- iv) Police stations.
- v) Correctional facilities
- vi) Courts of law

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

10.2.4 Agricultural properties

10.2.4.1. The Council shall comply with Section 3(k) of the Amendment Act in respect of properties used for agricultural purposes and shall give effect to the regulations as promulgated in terms of Section 19 (1)(b) of the Act.

10.2.4.2. A rebate shall be determined by Council, which may be amended from time to time.

10.2.5 Residential properties that are part of a township

That rates on a property will become payable from the date on which the subdivision or consolidation of the property was registered in the Deeds Office. That a parent property may be rated from the date its first subdivision is registered in the Deeds Office if the parent property is not already registered in the Deeds Office.

10.2.6 Residential properties that are part of a gated community

10.2.6.1 The Council shall grant a rebate applicable only in respect of existing service level agreements to gated communities where property owners are all members of an association and that association is, by agreement of its members and the Council, responsible for the maintenance and replacement of all or part its services to the community.

10.2.6.2 The Council shall determine the rebate according to the percentage of services provided by the Council in accordance with the standards and costs of services supplied by council in the particular financial year.

10.2.6.2 The Council shall determine the rebate in terms of Councils rates policy which shall be amended from time to time.

10.2.7 Commercial and Industrial Properties

10.2.7.1 The criteria and rebate for commercial and industrial properties will be determined by Councils rates policy as amended from time to time.

10.2.8 Developers Incentives (Residential)

- 10.2.8.1 The criteria and rebate for developer's incentives for residential properties will be determined by Councils rates policy as amended from time to time.

10.3 OWNERS QUALIFYING FOR EXEMPTIONS

10.3.1 Indigent Persons

- 10.3.1.1 The Council shall exempt any indigent person who owns residential improved property below a valuation determined by council.
- 10.3.1.2 The criteria to determine indigent households and other criteria is determined in Councils indigent policy which policy be amended by Council from time to time.

10.3.2 Public Benefit Organisations

- 10.3.2 .1. The Council shall grant a rebate to any organisation that is registered as a Public Benefit Organisation, in terms of the Income Tax Act on condition that the property is used for 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.

- 10.3.2.2. The criteria and rebate will be determined by Councils rates policy as amended from time to time.

10.4 OWNERS QUALIFYING FOR REBATES

- 10.4.1 Recipients of pensions and disability grants, medically boarded persons and child- headed households.

10.4.1.1. The Council shall apply the criteria and rebates for recipients of pensions and disability grants, medically boarded persons and child-headed households as set out in Council's rates policy and Indigent Policy which criteria and rebates may be amended from time to time.

10.4.1.2 The purpose of this rebate is to assist those people who have a physical or mental condition that constraints him / her from performing normal work-related functions and as a consequence he/ she is unable to find employment or unable to maximize his / her earning capacity.

10.4.2 Hospitality Accommodation

10.4.2.1 That Bed and Breakfast establishments and guesthouses shall receive a rebate or concessionary rate tariff as determined by Council from time to time subject to the qualifying criteria being met as set out in the rates policy of Council.

10.4.3 Owners of properties affected by a disaster or other serious adverse social or economic conditions

10.4.3.1. Criteria

The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of his/her property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by –

a) A disaster within the meaning of the Disaster Management Act (57 of 2002); or

b) Any other serious adverse social or economic conditions as may be defined and determined by the Council.

c) To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.

10.4.3.2 The Council shall apply the criteria and rebates for owners of properties affected by a disaster or other serious adverse social or economic conditions as set out in Council's rates policy which criteria and rebates may be amended from time to time.

10.5 SPECIAL RATING AREAS

The municipality may by resolution of Council determine an area within the municipality as a special rating area and all parties must comply with the processes as set out in the Section 22 of the Act, as well as the policy governing special rating areas.

11. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

11.1 The Council shall comply with Section 3(3)(e) of the Act in identifying and quantifying in terms of cost to the municipality and any benefit to the local community as set out below-

11.1.1. exemption, rebates and reductions

11.1.2. Exclusions referred to in sections, 17(1) (a) (e) (g) (h) (i) of the Act

11.1.3 Rates on properties that must be phased in terms of Section 21 of the Act.

11.2 The Council shall determine the criteria as stated above by resolution of the said council during the budgetary process.

12. COUNCIL OWNED PROPERTIES

12.1. The Council shall value all Council owned properties.

12.2 The Council shall subject all lessees and purchasers to pay rates in terms of their respective agreements of lease or sale based on the zoning and usage of the property.

13. PAYMENT OF RATES

13.1. The payment and recovery of rates shall be governed by the Municipality's Credit Control and Debt Collection Bylaw.

14. SHORT TITLE

The by-laws shall be called Rates Bylaws of the KwaDukuza Municipality.

15. COMMENCEMENT

The Rates Bylaws of Kwa Dukuza Municipality come into force and which bylaws come into effect on date of promulgation as of/from the issue of the this gazette.

16. REPEAL

All previous Municipal Bylaws, and amendments thereto, relating to Rates are hereby repealed.