



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

ANNEXURE 5

RATES POLICY



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SECTION A - INTRODUCTION

DEFINITIONS

In addition to the definitions contained in the *MPRA* and the *Rates By-Law*, the following words and phrases bear the meanings assigned to them below:

“Agricultural property” means property that is used primarily for agricultural purposes but, without derogating from *section 9* of the *MPRA*, 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;

“Audited Financial Statements” Means an annual report issued by an independent registered auditor or a person certified by a registered body or a certified bookkeeper expressing an opinion on the company’s financial statements. This includes a statement of financial position; a statement of financial performance; a cash-flow statement; other statements that may be prescribed; and any notes to these statements;

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 takes 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 that does not fall into any other category of property;

“Cemeteries” means properties used for the burial of human bodies and storage of cinerary urns. These properties will not be treated as vacant land and such usage will not attract availability charges in accordance with the Tariff Policy;

“CFO” means the Chief Financial Officer of the City, being a person designated in terms of *section 80(2)(a)* of the *MFMA*, or his/her nominee;

“City/Council” means the City of Cape Town, a municipality established by Government Notice No 479 of 22 September 2000 issued in terms of the Local Government: Municipal Structures Act 117 of 1998;

“Exclusion” in relation to a City's rating power, means a restriction of that power as provided for in *section 17* of the *MPRA*;



“Exemption” in relation to the payment of a rate, means an exemption granted by a City in terms of *section 15* of the *MPRA*;

“Gross monthly household income” means the gross monthly household income of both the owner and spouse or partner including any party in a co- habitation relationship from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, and any investment income. This income definition is specific to the Rates Policy and does not relate to any other external definitions of income;

“Guest House / Bed and Breakfast” means a property where more than 40% of the bedrooms are used or available to be used for providing accommodation for temporary visitors at a fee;

“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 in respect of which capital and labour are involved, and includes–

- (a) The processing of raw products and resources 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;

“MFMA” means the *Local Government: Municipal Finance Management Act, 56 of 2003*;

“MPRA” means the *Local Government: Municipal Property Rates Act, 6 of 2004* as amended from time to time as well as regulations (MPRR) published in terms of the *MPRA*, which is referred to as the *“Property Rates Act”* in the By-law but for the purposes of brevity, shall be referred to as the *“MPRA”* in this Policy;

“MPRR” means the *Municipal Property Rates Regulations*;

“Non-Residential Property” means all properties other than those defined as residential but including all vacant land. In the Tariff Policy this category could be further refined in terms of Commercial and Industrial properties as in the Tariff Policy it becomes necessary to differentiate between these users;

“Primary Place of Residence” means a residence –

- (i) in which a natural person ordinarily resides as his or her main residence;
- (ii) is used mainly for residential purposes, and
- (iii) is used mainly for domestic purposes;



“**PBO / Public Benefit Organisation**” means an organisation conducting specified public benefit activities as defined in the *MPRR*; and registered in terms of the *Income Tax Act* for tax reductions because of those activities;

“**Pension**” includes, but not limited to, a pension fund, retirement annuity, income annuity, retirement fund or other income of arising out of any retirement funding investment income received (including rental income.)

“**Ratepayer**” means a person or entity that is liable, in terms of the *MPRA*, for the payment of rates on property levied by the City;

“**Rate/s**” means a municipal rate as defined in *section 1* of the *MPRA* and includes any additional rates on property as envisaged in *section 19 (1)(d)* and *section 22* of the *MPRA*;

“**Rates By-law**” means the *City of Cape Town: Rates By-law*;

“**Rebate**” in relation to a rate payable on a property, means a discount granted in terms of *section 15 of the MPRA* on the amount of the rate payable on the property;

“**Reduction**” in relation to a rate payable on a property, means the lowering, in terms of *section 15 of the MPRA* of the amount for which the property was valued and the rating of the property at that lower amount;

“**Relief**” means exemptions, reductions or rebates that may be granted by the City in terms of this Policy;

“**Residential Property**” means a property of which the primary use is for residential purposes without derogation from *section 9* of the *MPRA*; and includes improved property, that is:

- used predominantly (60% or more) for residential purposes based on either the size of the house or the size of the improved part of the property (depending on the non-residential use), and includes any adjoining/adjacent developed property registered in the name of the same owner and used together with such residential property as if it were one property. The physical configuration of the two properties must be such that the two properties cannot be dealt with as separate viable economic units and can only function as if they are one entity. (Any such grouping shall be regarded as one residential property for rating purposes and for clearance application purposes); or
- a unit registered in terms of the *Sectional Titles Act, 95 of 1986*, used predominantly (60% or more) based on the size of the section (depending on the non-residential use) for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters.



(Any such grouping shall be regarded as one residential property for rating purposes and for clearance application purposes);

- For the following properties identified below, *section 9* of the MPRA may be applied if applicable at the discretion of the Municipal Valuer:
 - Owned by a shareblock company and used predominantly for residential purposes; or
 - A retirement scheme or life right scheme used predominantly for residential purposes; or
 - A hostel used predominantly for residential purposes; or
 - An old age home used predominantly for residential purposes; or
 - A block of flats used predominantly for residential purposes; or
 - A residence used for residential purposes situated on property used for or related to educational purposes.
- For the sake of clarity, the following properties are specifically excluded from the definition:
 - residential apartments that form part of a hotel rental pool and are not being used as a primary place of residence for residential purposes;
 - guest house / bed and breakfast; and
 - any vacant land irrespective of its zoning or intended usage;

“Residential purposes” in relation to the use of the property means improved properties where people reside as their primary place of residence;

“Supplementary Valuation / SV” means the updating of the valuation roll whenever necessary as per *section 78* of the MPRA;

“Systems Act” means the *Local Government: Municipal Systems Act, 32 of 2000*;

“Unproductive vacant land” means land with no development potential and which is likely to attract no more than a nominal value. It includes properties that are lanes, stairs, slivers of land and small irregularly shaped pieces of land that cannot be developed. It can also sometimes include strips of land bordering rivers, as well as road reserves upon which roads that have not been constructed (excluding roads). If the unproductive vacant land is registered in the name of the owner of the adjoining/adjacent developed property, these parcels of land will be treated as part of the adjoining/adjacent developed property and will be rated accordingly;

“Valuation Roll” means a general valuation (GV) roll prepared in terms of *section 30* of the MPRA or a supplementary valuation (SV) roll prepared in terms of *section 78* of the MPRA;



“**Vacant Land**” means a property without any improvements, buildings or structures, as determined by the Municipal Valuer. Properties that are used as cemeteries will not be treated as vacant land.

1. Legislative Context

In terms of *Section 229* of the *Constitution of the Republic of South Africa*, a municipality may impose rates on property.

In terms of *Section 4(1)(c)* of the *Systems Act*, a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

In terms of *Section 2* of the *MPRA*, a metropolitan or local municipality may levy a rate on property in its area.

This Policy is adopted in terms of *Section 3* of the *MPRA*.

This Policy must be read together with, and is subject to the provisions of and the regulations of the *MPRA* and the *Rates By-Law*.

In terms of the *MPRA*, the City allows for certain exemptions, reductions and rebates based on the ownership of properties.

The City's Rates Policy must be adopted on an annual basis to ensure compliance with the City's strategic objectives and with the applicable legislation.

This Policy is prepared in order to support the Municipal budget in accordance with *Regulation 7 of the MFMA* namely the *Municipal Budget and Reporting Regulations*.

2. Guiding Principles

The City's Rates Policy (herein after referred to as “the/this Policy”) is based on the following guiding principles:

- equity;
- affordability;
- poverty alleviation;
- social and economic development;
- financial sustainability; and
- cost efficiency.



As provided for in the *MPRA*, the City has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. However, the City does not grant relief in respect of payments for rates to any category of owners or properties, other than by way of an exemption, reduction or rebate provided for in this Policy, or to owners of properties on an individual basis.

SECTION B - MUNICIPAL PROPERTY RATES

1. Categories of Property

In accordance with Section 8 of the *MPRA*, the City levies different rates on different categories of properties which are determined according to the use of the property.

The City has identified the following categories of property in accordance with section 8 and 93A of the Act: -

- a) Residential properties;
- b) Business and commercial properties;
- c) Industrial properties;
- d) Agricultural properties – any agricultural property not used for bona fide farming will not fall within this category;
- e) Mining properties;
- f) Properties owned by an organ of state and used for public service purposes.
- g) Public Service Infrastructure properties;
- h) Public Service Infrastructure (phase-out);
- i) Properties owned by Public Benefit Organisations and used for specified public benefit activities;
- j) Properties used for multiple purposes - In cases where the Municipal Valuer considers it reasonable to apply this category, properties which are used for multiple purposes and thus fall within different categories of properties, an apportionment of value for each distinct use of the property must be calculated by the Municipal Valuer and used for billing at the appropriate and applicable rate(s); and
- k) Vacant land;
- l) Place of worship.

2. Criteria for Applying Different Levies for Different Categories of Properties

The rate charged as an amount-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the residential rate.



- **Industrial, Commercial, Vacant, Mining Properties**

The ability of owners to recover part of their costs via lower income tax and the ability to recover such costs from their own customers supports the rate differentiation. These property categories will be rated at double the residential property rate-in-the-rand.

- **Agricultural Property**

The *MPRR on Rate Ratio* prescribes that Agricultural properties are to be rated at 1:0.25 to the residential rate, however the City may rate the agricultural property at any ratio of choice below the prescribed rates ratio of 1:0.25.

Taking into account the limited rate-funded services supplied to such properties in general, the contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the City, and the contribution of agriculture to the social and economic welfare of farm workers, the City determines the rates ratio for agricultural property at 1:0.20.

- **Properties owned by an Organ of State and used for public service purposes**

Ratepayers contribute to the national *fiscus* through various national taxes for national and provincial government to provide the services set out in the definition of public service purpose.

In addition, the MPRA already provides relief in respect of public service infrastructure. Therefore, properties owned by an organ of state and used for public service purposes should not receive any further benefit and the ratio will be twice the residential rate.

- **Public Service Infrastructure (PSI)**

In terms of the MPRA, the rates ratio for PSI property is 1:0.25.

- **Public Service Infrastructure – phase out**

In terms of *section 93A* of the MPRA, the levying of rates on certain PSI properties is being phased out over a period of five financial years as from 1 July 2015. The City is accordingly prohibited from levying a rate exceeding an amount of 10% in respect of these PSI properties.



- **Properties owned by Public Benefit Organisations (PBOs) and used for specified public benefit activities**

The *MPRR on Rate Ratios* stipulates that property owned by PBOs and used for a specified public benefit 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, 58 of 1962*, will be rated at no more than 25% of the residential property rate-in-the-land.

All other property owned by PBOs that do not fall within the definition outlined in the *MPRR*, will be rated at the *business and commercial* rate.

- **Place of worship**

For the purposes of determining the use of a property for a place of worship, the property must be used by a group of people and/or religious community to perform acts of religious devotion and where the property is used for this sole purpose. This includes a property where the group of people and/or religious community are not the registered owner of the property and are solely liable for the payment of rates in terms of a formal agreement with the registered owner of the property in respect of the property. The formal agreement must be for 12 months or longer.

The religious community must have been in existence for at least three years and have regular meetings on the property. The Municipal Valuer and/or Director: Revenue may request any information required from the religious community or other related parties (for example the landlord/property owner) in order to establish the eligibility requirements for this property category and related rates rebate. Information requested may include:

- a copy of any founding document / constitution;
- affidavits from its leader and up to five members setting out the length of time the community has been meeting; the size of the community and the leadership structure of the community;
- certified copies of the financial statements / records of accounts of the community; and
- certified copies of bank statements in the name of the religious community.



• **Rates Ratios**

CATERGORY	RATES RATIOS
Residential Properties	1:1
Industrial Properties	1:2
Business and Commercial Properties	1:2
Agricultural Properties	1:0.2
Mining Properties	1:2
Properties owned by an organ of state and used for public service purposes	1:2
Public Service Infrastructure (PSI)	1: 0.25
Public Service Infrastructure – phase out	1:0.025 (=10% of phase-in; final year of phase-out)
Properties owned by public benefit organisations (PBOs) and used for specified public benefit activities	1:0.25
Properties used for Multiple Purposes	Ratio will be determined per allocation
Vacant Land	1:2
Place of Worship	1:0

3. Exemptions, Reductions and Rebates

The City may, in terms of the criteria set out in this Policy, exempt a specific *category of owners* of properties, or the owners of a specific *category of properties*, from the payment of a rate levied on their property; or grant to a specific *category of owners* of properties, or to the owners of a specific *category of properties*, a rebate or reduction in the rates payable in respect of their properties.

To avoid fruitless and wasteful expenditure, the City will not levy a rate on any private road or any other property where the market value of the property is equal to or less than R50 000 or such other amount as determined by Council from time to time. This clause will not apply when other service charges (including availability charges) or an additional rate in respect of property situated in a special rating area (as contemplated in *section 22* of the *MPRA* and the *Special Rating Area By-law and Policy*) are billed to that property nor will it apply to any units in a sectional title scheme.

In accordance with *section 15(3)* of the *MPRA*, the Municipal Manager of the City will annually table in the Council of the Municipality a:

- List of all exemptions, reductions and rebates granted by the City during the previous financial year; and



- Statement reflecting the income of the City foregone during the previous financial year by way of such exemptions, reductions and rebates.

4. Rates Relief Applicable to the Category of Properties

- **Residential Property**

REDUCTION:

As an important part of the City's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-value properties, the City will not levy a rate on the balance of the market value up to a maximum amount of R285 000.00 in respect of residential properties-assigned in the Valuation Roll.

If more than 40% of the extent of a house or the sectional title is being used for purposes other than residential purposes, these properties do not qualify for the residential rebate.

5. Categories of Owners of Properties

The City has determined the following categories of *owners of property* for the purpose of exemptions, rebates and reductions in accordance with *section 15 (2)* of the *MPRA*.

- **Indigent**

In terms of *sections 3(3)(f)* and *15* of the *MPRA* all indigents, for rating purposes, will qualify in respect of their primary place of residence for the benefits as set out in this policy and Chapter 4 of the *Credit Control and Debt Collection By-Law and Policy* and may also qualify for the 100% rebate if the applicant is dependent on pension or a social grant for their livelihood on condition that all other criteria remain applicable. The cumulative rebates shall not exceed 100%.

- **Owners who are dependent on Pension or Social Grants for their livelihood**

In order to qualify for a rebate, this category of owners must meet the following criteria:

- a) be a natural person;
- b) the property must satisfy the requirements of the definition of Residential Property;
- c) be the registered owner of the Residential Property; and



- d) on 1 July of the financial year:
- i. occupy the property as his/her primary place of residence, provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or partner or children (including minor children) may satisfy the occupancy requirement;
 - ii. With regards to pensioners, the applicant must be at least 60 years of age; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60;
 - iii. be in receipt of a gross monthly household income not exceeding R17 500 (seventeen thousand five hundred Rand) and proven by the submission of the applicant's most recent income tax return and the minimum of three months bank statements from all financial institutions or, if the person does not have a bank account, such proof as the City may require to substantiate the person's level of gross monthly household income; and
 - iv. The applicant and/or spouse and/or life partner, whether jointly or individually, should not be the owner in part or in whole of more than one property nationally (with the exception of any unproductive vacant land) or internationally, subject to discretionary deviations by CFO as described below.

A *usufructuary* or *habitatio* (right of habitation) or an executor or administrator of a deceased estate will be regarded as an owner. The applicant must produce an Affidavit or a letter from the Master of the High Court or suitably endorsed Title Deed or addendum to the Title Deed to substantiate the appointment.

The criteria of a natural person may be waived at the discretion of the CFO to allow for a property owned by:

- A trust where at least one beneficiary meets all the other criteria; provided that the gross monthly household income of the persons normally residing on that property be added to the gross monthly household income of all beneficiaries, which income may, collectively, not exceed R17 500.
- A Close Corporation (CC) where the total number of members meets all of the other criteria; provided that the gross monthly household income of the persons normally residing on that property be added to the gross monthly household income of all members, which income may, collectively, not exceed R17 500.
- Multiple owners where at least one co-owner meets all of the other criteria; provided that the gross monthly household income of the persons normally residing on that property be added to the gross monthly household income of the co-owners of that property, which income may, collectively, not exceed R17 500.



The criteria of registered owner (per the Deeds Office) may be waived at the discretion of the CFO to allow the holder of a share or the holder of a life right and who occupies that property which that person has the right to occupy and such person is responsible for the payment of the rates in terms of their right to occupy, to allow that owner and occupant to apply for this rebate (subject to all the other applicable criteria).

Owners must apply for the rebate in the year when a new GV or SV, as the case may be, are implemented. Applications made when a new GV is implemented must be received by the City by 31 August of the financial year when the GV will be implemented. Applications made when a SV is implemented, must be received by the City by the last day of the third month following the implementation date of the SV, failing which no such rebate may be granted for those financial years.

Where there is a change in the gross household income, the owners must apply for the rebate within three months of the change, failing which no such rebate will be granted for that financial year.

Approved rebate applications will remain valid until the next GV, SV or until a change to the gross household income of those properties are implemented. An owner is required to immediately inform City should the gross monthly household income change.

Any owner who, meets all the other criteria may apply to receive the rebate from the date of receipt by the City of the application for the remainder of the validity of that GV, where after all the criteria set out above will apply to applications for rebates in subsequent financial years.

In exceptional circumstances the CFO may, in his/her discretion, approve the granting of this rebate even though the Applicant and/or spouse and/or life partner owns additional properties for which a market-related rental is included in the gross monthly household income.

If the gross monthly household income changes substantially as a result of the spouse/partner passing away the surviving spouse/partner may apply for the rebate to be adjusted from the date of death.

Where a couple qualifies for a rebate in terms of this paragraph and one passes away and the surviving spouse/partner does not qualify in terms of age / social grant criteria, the rebate may be retained for a period of 12 months from the date of death on condition that the surviving spouse meets the other criteria mentioned herein.



Where a ratepayer qualifies for a rebate in terms of this paragraph and passes away, leaving only a child headed household where the child does not qualify in terms of age or does not receive a social grant, the rebate will be retained for a period of 12 months from the date of death on condition that the other criteria mentioned herein are met.

On application, the gross monthly household income will be rounded off to the nearest rand in order to determine the percentile rate applicable.

The percentage rebate granted to different gross monthly household income levels will be determined according to the schedule below.

Gross Monthly Household Income		% Rebate
R 0	R 4 500.00	100%
R 4 501.00	R 6 000.00	95%
R 6 001.00	R 7 500.00	90%
R 7 501.00	R 9 000.00	80%
R 9 001.00	R 10 500.00	70%
R 10 501.00	R 12 000.00	60%
R 12 001.00	R 13 500.00	50%
R 13 501.00	R 14 500.00	40%
R 14 501.00	R 15 500.00	30%
R 15 501.00	R 16 500.00	20%
R 16 501.00	R 17 500.00	10%

Any late applications or deviations from the ownership, occupancy, registration or usage requirements of this Policy must be motivated in writing to the CFO and will be dealt with at the discretion of the CFO or his/her nominee, taking account of any factors which he/she deem to be relevant, including, but not limited to considerations of fairness and equity. The CFO or his/her nominee has the right to conduct a full credit check or financial analysis on any person, organization or institution applying for any benefit in terms of this policy.

Should a property owner not be satisfied with the outcome of an application for a rebate in terms of this policy, he/she may lodge an appeal in terms of *section 62* as read with *section 95(f)* of the *Local Government Municipal Systems Act 32 of 2000*.



SECTION C – GENERAL

1. Impermissible Rates

The City will not levy a rate on the properties mentioned in sections 17 of the MPRA.

2. Liability for Rates

A property rate is a debt in respect of taxation in terms of *section 11 of the Prescription Act 68 of 1969*, and the City can recover rates in arrear for a period of up to 30 years.

The due date for payment of rates in terms of *sections 26(2)(a) and (b) and 78(4) of the MPRA* means the date reflected on a municipal invoice as the final date on which payment is due and payable.

Liability for the payment of rates is further governed by the *MPRA* and the *City's Credit Control and Debt Collection By-Law and Policy*.

Rates which are recovered by the City on an annual or a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer and payable in full on or before the due date and interest will be charged on rates that are in arrears.

A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the ratepayer makes the necessary inquiries from the City to establish the amount due for the rates and to pay that amount to the City.

3. Multiple Owners

The City of Cape Town will not split a municipal account as a result of multiple ownerships and will hold the owners jointly and severally liable for payment.

4. Interest on Overdue Accounts

Interest shall be raised on overdue accounts as determined in the *Credit Control and Debt Collection By-Law and Policy*.

5. Effects of reviews, objections and appeals on liability for payment

The lodging of an objection, a review or an appeal in terms of *sections 50, 52 and 54 of the MPRA* does not defer liability for the payment of rates.



6. City Owned Properties

City owned properties leased to third parties will also be rated, except for the City public-rented stock (primarily state-subsidised rental houses).

A purchaser, in the case where a property was sold by the City and of which possession was given to the purchaser pending registration of ownership in the name of the purchaser at a later date, will be liable for the payment of rates.

7. Supplementary Valuation (SV) Effective Date

The effective date in respect of a supplementary valuation will be conducted in accordance with section 78 of the MPRA.

8. Adjustment of Rates prior to SV

Rates raised as a charge based on an administrative error in a previously certified Valuation Roll can be written back with the authority of the CFO.

If the owner of a freehold property which has been subdivided after the last general valuation wishes to sell one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the City for a clearance certificate in terms of *section 118 of the Systems Act* and if the City has not yet included such valuation of the relevant property(ies) in a SV:

- the municipal valuer shall provide an allocation of values of the relevant property(ies) for purposes of a clearance certificate; and
- the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the clearance certificate is sought.

Any valuations performed in terms of this paragraph shall be included in the next SV prepared by the City.

This paragraph will not apply to Developers in respect of Sectional Title Schemes.

9. Identification and Quantification of Costs and Benefits

The cost to the City and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in *sections 17(1)(a), (e), (g)(h) and (i) of the MPRA* and rates on properties that must be phased-in in terms of *section 21 of the MPRA* are reflected in the City's budget.



10. Hanging and Holding Properties

For the purposes of creating a single account for properties forming one economic entity, specific contiguous properties may be treated as one property on the valuation roll, i.e., one valuation for a number of contiguous properties. The holding property as well as the hanging properties will be reflected on the roll but the valuation will only be reflected against the holding property.

Properties may be created as one economic entity in terms of the following rules:

- a) Properties must be in the same ownership;
- b) A building(s) forming an economic entity must straddle all the contiguous erven as if they were consolidated;
- c) All municipal services must be linked to the property reflecting the total municipal valuation of the erven treated as being consolidated;
- d) A contiguous property with no economic viability or development potential and which is likely to attract no more than a nominal value, e.g. irregularly shaped or small pieces of land that cannot be optimally developed, small uneconomic land extensions for swimming pools or gardening, lanes, stairs, slivers of land bordering rivers, as well as road reserves may be treated as a hanging property even though the requirements of paragraph (b) are not met;
- e) Contiguous pieces of agricultural land which are being farmed as one economic entity will also qualify should the other requirements (excluding b) be met;
- f) Parking on a separate erf that is essential for the viability of the economic unit; and
- g) Sports fields that may or may not be contiguous to a school but form an essential component of the school may be treated as an economic unit.

The Municipal Valuer will, in his/her discretion, decide which properties should be treated as one economic entity in terms the above and whether the properties should be combined as hanging and holding.



SECTION D – SPECIAL RATING AREAS

Special Rating Areas

The Council may by resolution from time to time determine special rating areas as envisaged in *section 22 of the MPRA* and levy additional rates on properties in areas for the purpose of raising funds as contemplated in the said section and the Council has adopted a By-law and policy to regulate the implementation of such special rating areas.

SECTION E – COUNCIL RESOLUTIONS EFFECTING THE LEVYING OF RATES

Special Council Resolution (SPC 07/05/16) dated 30 May 2016

NOTE:

Council Special Council Resolution (SPC 07/05/16) dated 30 May 2016 states:

(a) *The Rates Policy 2016/17 be amended with the insertion of:*

“5.21 Owners of properties in the Diep River Housing Rental Estate who have taken ownership in terms of agreement with the former South Peninsula Municipality and the Steurhof Restitution of Tenancy Rights Committee, and who were evicted lessees in terms of the Group Areas Act are exempted from rates for the first ten years of ownership, calculated from the date of registration in their name. The exemption applies to the owners, heirs, dependants or spouse and lapses upon alienation of the property by the owner, heirs, dependants or spouse. After the ten years the compulsory phasing in of rates are applicable in terms of 21 of the MPRA.”

(b) *that the Steurhof Lease Claimants be exempted from rates as per Section 5.21 of the Rates Policy 2016/17*