

ANNEXURE 2



# MOGALE CITY LOCAL MUNICIPALITY

## PROPERTY RATES BY-LAWS

2020 - 2021



## MOGALE CITY RATES BY-LAWS

### RATES-BY-LAWS

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## MOGALE CITY RATES BY-LAWS

### RATES BY-LAWS

#### 1. LEGISLATIVE CONTEXT

1. Section 229 (1) of the constitution authorises a municipality to impose property rates and surcharges on fees for services provided by or on behalf of the municipality
2. In terms of Section 3 of the Municipal Property Rates Act, a municipal council must adopt a policy consistent with the Municipal Property Rates Act on the levying of rates on rateable property in the municipality.
3. In terms of Section 6 (1) of the Municipal Property Rates Act, a Municipality must adopt by-laws to give effect to the implementation of its Property Rates Policy.
4. In terms of Section 6 (2) of the Municipal Property Rates Act, by-laws adopted in terms of Section 6 (1) may differentiate between different categories of properties, and different categories of owners of properties liable for payment of rates.
5. In terms of Section 13 of the Municipal Systems Act read together with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province.

#### 2. DEFINITIONS

In this by-laws, unless otherwise indicated –

**“Property Rates Act”** mean Local Government Municipal Property Rates Act No.6 of 2004

**“Council”** means Mogale City Municipal Council established in terms of Section 12 of the Municipal Structures Act 117 of 1998 as amended.

**“Council Rates Policy”** means the policy adopted by council on the levying of rates on rateable properties of Mogale City Local municipality, as contemplated in chapter 2 of the Municipal Property Rates Act.



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**“Constitution”** means the Constitution of the Republic of South Africa, (Act No 108 of 1996), as amended;

**“Category”** means the category in relation to properties for the purpose of levying different rates, and category in relation to owners of properties for the purpose of granting exemptions, rebates and reductions.

**“Credit Control and Debt Collection By-Law and Policy”** means the council’s Credit Control and Debt Collection By-Laws and Policy as required by Section 96, 97 and 98 of the Municipal Systems Act 32 of 2000 as amended.

**“Business”** in relation to property, means the use of property for the activity of buying, selling or trading in commodities or services on a property and includes any office or other accommodation on the same property, the use of which is incidental to such activity, but does not include the business of agriculture, farming, or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms;

**“Public Service Purposes”** in relation to property, means the property owned and used by an organ of state, excluding farm properties used for residential or agricultural purposes or not in use;

**“Demolition Certificate”**: The category of properties where the buildings was demolished will be changed as per date of the demolition certificate

**“Development Land”**: This category of property will apply where the property owner is creating 10 or more residential units/stands, or 5 or more Business / Industrial units/stands or proclaiming new townships. This does not include properties earmarked as development land where the buildings are completed and used for their purpose.

**“Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as amended;

**“Municipal Structures Act”** means the Local Government: Municipal structures Act, (Act No. 117 of 1998), as amended;

**“Municipal Valuer”** means a person designated as municipal valuer by the Municipality in terms of Section 33 of the Municipal Property Rates Act.

**“Non-Profit Organisation”** are tax-exempt or charitable, **meaning** they do not Pay income tax on the money that they receive for their **organization**. They can operate in religious, scientific, research, or educational settings.

**“Owner”** means the owner as defined in Section 1 of the Municipal Property Rates Act;



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“**Rates**” means municipal rate on property envisaged in Section 229 (1) (a) of the Constitution.

**3. OBJECTIVE**

The object of this by-law is to give effect to the implementation of the Rates policy as contemplated in Section 6 of the Municipal Property Rates Act.

**4. ADOPTION AND IMPLEMENTATION OF THE RATES POLICY**

- 4.1 The municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on levying of rates on rateable properties within the jurisdiction of the municipality; and
- 4.2. The Municipality shall not be entitled to levy property rates other than in terms of its Property Rates policy.

**5. CONTENTS OF THE RATES POLICY**

The Rates Policy shall, *inter alia*:-

- 5.1 Apply to all rates levied by the Municipality pursuant to the adoption of its annual budget;
- 5.2 Comply with the requirements for:
  - 5.2.1 The adoption and contents of property rates policy specified in section 3 of the Act.
  - 5.2.2 The process of community participation specified in section 4 of the Act: and
  - 5.2.3 The annual review of the Property Rates policy specified in Section 5 of the Act.
- 5.3. Provide for principles, criteria and implementation measures that are consistent with the Municipal Property Rates Act for levying of rates which the Council may adopt; and
- 5.4. Provide for the enforcement mechanisms that are consistent with the Municipal Property Rates Act and the Local Government: Municipal Systems Act, (Act. 32 of 2000).

**6. CATEGORIES OF PROPERTIES**

- 6.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-
  - 6.1.1 Residential properties
  - 6.1.2 Business and Commercial properties



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- 6.1.3 Industrial properties
- 6.1.4 Agricultural (including Small Holdings) properties used for:-
  - Agricultural purposes only
  - Business & Commercial purposes
  - Residential purposes
  - Other purposes other than those specified above
- 6.1.5 Municipal properties
- 6.1.6 Public service infrastructure
- 6.1.7 Public benefit organisation
- 6.1.8 Public service purposes/State owned properties Residential
- 6.1.9 Public service purposes/State owned properties Non-Residential
- 6.1.10 Private / Public open space
- 6.1.11 Vacant properties (Residential & Non-Residential)
- 6.1.12 Place of public worship
- 6.1.13 Educational (Private schools)
- 6.1.14 Multiple use properties
- 6.1.15 Mining properties

**7. EXEMPTION OF OWNERS OF THE PROPERTY**

A municipality may in terms of the criteria as set out in its rates policy –

- a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of rates levied on their property; or
- b. Grant to a specific category of owners of properties, or the owners of a specific category of properties, a rebate on or a reduction in rates payable in respect of their properties.

**8. CATEGORIES OF OWNERS OF PROPERTIES**

Mogale City has determined in its rates policy, the following categories of owners of property:

- a. Indigents
- b. Retired and Physically and Mentally disabled
- c. Public Benefit Organisations
- d. Child Headed Families
- e. Disaster-hit property owners
- f. Residential property owners

**9. LIABILITIES FOR RATES**

- 9.1. Levying of rates on property will be effected in terms of the Municipality's Rates Policy as amended from time to time.



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9.2. The Municipality will, as part of annual operating budget process, determine a rate in a rant to be levied on the market value of the property in every category of properties.

**10. ENFORCEMET OF THE RATES POLICY**

10.1 The Municipality's Rates Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

**11. SHORT TITLE**

11.1 These By-laws may be cited as The Municipal Property Rates By-laws.

11.2 These By-laws shall come into operation on the date on which they are published in the Gazette.

APPROVED

