

**Knysna Municipality extends payment period for rates on incorrectly zoned agricultural land.**

Non-agricultural properties within the Knysna Rural District that were incorrectly categorised in the 2017/2022 general valuation roll, now have 36 months to repay backdated tariffs.

According to Knysna Municipal Manager Dr Sitembele Vatala, various properties had been included in the valuation roll as Rural Lifestyle, having previously been categorised as Non-Urban Domestic. “The consequent amendment to the Municipal Property Rates Act, Act 6 of 2004, removed Rural Lifestyle as a category and the associated tariff was phased out of our schedule in the 2017/2018 financial year.”

“This means that these non-agricultural properties had incorrectly benefited from the agricultural use rebate,” he said. “If these properties were to continue benefiting from this rebate, Knysna would lose over R25million. As it is, the retrospective rates owed to the municipality amount to almost R3million. This is money that we could use to maintain infrastructure and deliver services. Council has however resolved to extend the repayment period of these rates.”

Notices of these changes had been duly published in the media, on the municipality’s website and in the Provincial Gazette. Notices were also posted to affected property owners, inviting any person to lodge their complaint before 29 May 2019.

Vatala said that 107 out of 607 properties had incorrectly derived benefit from the agricultural rebate, backdating to 1 July 2017. “In terms of Section 2(d) of Council’s approved tariffs, the agricultural tariff is only applicable to owners of agricultural properties who are taxed by the South African Revenue Service as a farmer in respect of the property.”

Both the national Municipal Property Rates Act and Council’s approved 2019/2020 Rates Policy defines agricultural property as *...a property that is used primarily for agricultural purposes and 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.*

“The owners of these properties and their representatives have had engagements with our chief financial officer regarding these changes and the retrospective billing of rates from 1 July,” said Vatala. “We understand and have complete empathy with the frustration owners feel because of this change to the national rates act. After careful consideration, and taking the current economic climate into account, Council has decided to extend the payment period on these charges.”

“Thank you to all residents who pay their accounts promptly and on a regular basis,” he concluded. “You are assisting Council and the administration in the effective management of Greater Knysna. And thank you to the parties affected by these changes. We appreciate your understanding and cooperation.”

**ENDS**

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