



**KNYSNA**

<b>Policy Name</b>	<b>PROPERTY RATES POLICY</b>
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Signature of MM	

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## **1. BACKGROUND**

- 1.1 In 2016, the Knysna Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the municipality in terms of the Local Government: Municipal Property Rates Act, 6 of 2004 (MPRA), which became operative on 2 July 2005. The General Valuation Roll 2017/22 came into effect on 01 July 2017 and remain valid until 30 June 2022.
- 1.2 This policy is formulated in terms of section 3 of the MPRA.

## **2. LEGISLATIVE CONTEXT**

- 2.1 In terms of section 229 of the Constitution, a municipality may impose rates on property.
- 2.2 In terms of section 4(1) (c) of the Local Government: Municipal Systems Act, 32 of 2000 (MSA), a municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on property.
- 2.3 In terms of section 2(1) of the MPRA, a municipality may levy a rate on property in its area in accordance with the other provisions of the MPRA.
- 2.4 This policy must be read together with, and is subject to the provisions of the MPRA and the Knysna Municipality Rates By-Law.
- 2.5 In terms of Section 8(1) of the MPRA, the Municipality is levying rates on the use of the property.

## **3. DEFINITIONS & INTERPRETATION**

- 3.1 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:
  - 3.1.1 “Act” means the Local Government Municipal Property Rates Act, 2004 (No.6 of 2004);
  - 3.1.2 Accommodation 1-8 bedrooms means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering accommodation on a regular, seasonal, continuous or occasional basis where the number of lettable bedrooms does not exceed 8.
  - 3.1.3 Accommodation 9+ means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering

accommodation on a regular, seasonal, continuous or occasional basis where the total number of lettable bedrooms exceeds eight or the property offers restaurant and/or bar and/or conference facilities.

- 3.1.4 “Agricultural property” means property that is used primarily for agricultural purposes but 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 hunting of game. The definition includes agricultural properties used for subsistence farming.
- 3.1.5 “Bona-fide farmers” means genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the Knysna municipal area, and is taxed by SARS as a bona-fide farmer.
- 3.1.6 “Business” means 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, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
- 3.1.7 “Category” (a) in relation to property, means a category of property determined in terms of section 8 (2) 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.
- 3.1.8 “Exemption” in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act.
- 3.1.9 “Heritage” means a property containing a building or other heritage resource of national, provincial, or municipal significance.
- 3.1.10 “Indigent person” means a person whose household income does not exceed the minimum household income as predetermined by the council;
- 3.1.11 “Market value”, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- 3.1.12 “New Business incentive rebate” means a rebate granted, on a declining scale, on a property used for a new business brought to the Knysna municipal area. The definition excludes existing business where:
- 3.1.12.1 change of ownership occurred

- 3.1.12.2 name change occurred
- 3.1.12.3 current business operations are expanded.
- 3.1.13 “Household income” means the income accruing to all members of the household permanently residing at the address. It includes income of spouses.
- 3.1.14 “Industrial” means a building or usage, other than a noxious trade, which concurs with the meaning of factory as defined in the Machinery and Occupational Safety Act, 1983), and includes an office, caretaker’s quarters, or other building, the use of which is incidental to, and such as would ordinarily be incidental to, or reasonably necessary in connection with the use of such factory on the same site, and included all light industrial uses, but does not include a service trade.
- 3.1.15 “Non-residential” means all property other than those defined as residential.
- 3.1.16 “Permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of –
- 3.1.16.1 any restrictions imposed by-
- 3.1.16.1.1 a condition of title;
- 3.1.16.1.2 a provision of a town planning or land use scheme; or
- 3.1.16.1.3 any legislation applicable to any specific property; or
- 3.1.16.2 any alleviation of any such restrictions;
- 3.1.17 “Place 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 primary instructive medium:
- 3.1.17.1 Provided that the property is –
- 3.1.17.1.1 registered in the name of the religious community;
- 3.1.17.1.2 registered in the name of a trust established for the sole benefit of a religious community; or
- 3.1.17.1.3 Subject to a land tenure right.
- 3.1.18 “Private Open Space” means any land in private ownership used primarily as a private site for play, rest, recreation without financial gain.

3.1.19 “Property” means-

3.1.19.1 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;

3.1.19.2 a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

3.1.19.3 a land tenure right registered in the name of a person or granted to a person in terms of legislation;

3.1.19.4 public service infrastructure

3.1.20 “Protected area” means an area that is listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act 2003.

3.1.21 “Public Benefits Organisation” means an organisation conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax act for tax reductions because of those activities.

3.1.22 “Public Service Infrastructure” means publicly controlled infrastructure (as defined in the MPRA) may not be rated on the first 30% of market value in terms of section 17(1)(a) of the MPRA.

3.1.23 “Public Service Purposes” in relation to the use of a property means property owned and used by an organ of state as per subsection 1 (1) (a) (b) (c) (d) (e) (f) of the Municipal Property Rates Act., but excludes property contemplated in the definition of “public service infrastructure”

3.1.24 “Rebate”, in relation to a rate payable on a property, means a discount on the amount of the rate payable on the property.

3.1.25 “Reduction”, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.

3.1.26 “Residential” 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.

3.1.27 “State-owned” means property owned by the State, which are not included in the definitions of public service infrastructure or public service purposes in the Act. These properties are classified as follows:

- 3.1.27.1 State properties that provide local services
- 3.1.27.2 State properties that provide regional/municipal district-wide/metro-wide services.
- 3.1.27.3 State properties that provide a provincial/national service.
- 3.1.28 “Vacant land “means land where no immovable improvements have been erected. Vacant land can be classified as follows:
  - 3.1.28.1 Residential vacant, means a property included in a valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as vacant.
  - 3.1.28.2 Business vacant means a property included in a valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as business vacant.
  - 3.1.28.3 Industrial vacant, means a property included in a valuation roll in terms of section 8(2) of the Act (read with section 8(3) as industrial vacant.
  - 3.1.28.4 Vacant State land means a property included in a valuation roll in terms of section 8(2) of the Act (read with section 8(3) as State Owned vacant.

#### **4. PRINCIPLES**

- 4.1 The following principles ensure that the municipality treats persons liable for rates equitably:
  - 4.1.1 Equity
- 4.2 The municipality will treat ratepayers with similar properties in a like manner
  - 4.2.1 Affordability
- 4.3 The ability of a person to pay rates will be taken into account by the municipality. The municipality may provide relief measures through specified exemptions, reductions or rebates to the poor or indigent as defined in Council’s Indigent policy.
- 4.4 The Municipality may: -
  - 4.4.1 levy different rate tariffs on different categories of properties,
  - 4.4.2 exempt a specific category of property from payment of rates,



4.4.3 grant a rebate on, or a reduction in, the rate payment.

4.5 Council also pledges itself to limit each maximum annual increase, as far as is practicable, to the increase stipulated by National Treasury in the appropriate annual Budget Circular except when the approved integrated development plan of Council requires a greater increase or there has been a significant change in the valuation of a property.

## 5. CATEGORIES OF RATEABLE

Properties will be categorised as follows:

A: RESIDENTIAL	1. Improved Residential (8001)
	2. Indigent (8019)
	3. Pensioners (8020, 8022, 8076, 8077, 8079)
B: INDUSTRIAL	1. Industrial (8013)
C: BUSINESS AND COMMERCIAL PROPERTIES	1. Business and Commercial (8003)
	2. Lettable Accommodation 1 – 8 Rooms (8030)
	3. Lettable Accommodation 9+ Rooms (8031)
D: AGRICULTURAL	1. Agricultural - Bona Fide Farming (8008)
E: PROPERTIES OWNED BY AN ORGAN OF STATE USED FOR PUBLIC SERVICE PURPOSES	1. State (8007)
	2. Vacant State Land (8041)
F: PUBLIC SERVICE INFRASTRUCTURE	1. PSI (8011)
G: PROPERTIES OWNED BY PUBLIC BENEFIT ORGANISATIONS AND USED FOR SPECIFIED PUBLIC BENEFIT ACTIVITIES	1. Public Benefit Organisations (8015)
H: PROPERTIES USED FOR MULTIPLE PURPOSES	

I: VACANT LAND	<ol style="list-style-type: none"> <li>1. Residential (8035)</li> <li>2. Business (8040)</li> </ol>
J. MUNICIPAL OWNED PROPERTIES	<ol style="list-style-type: none"> <li>1. Municipal Buildings (8004)</li> <li>2. Public Open Spaces (8006)</li> <li>3. Municipal Improved Residential (8050)</li> <li>4. Municipal Staff Housing (8056)</li> <li>5. Municipal Vacant Residential (8036)</li> <li>6. Municipal Vacant Public Open Spaces (8042)</li> <li>7. Municipal Vacant Non-Residential (8034)</li> </ol>
K. PLACES OF WORSHIP (Section 17(1)(i))	<ol style="list-style-type: none"> <li>1. Place of Worship (8030)</li> <li>2. Non-Developable (8069)</li> </ol>
L. PROPERTIES:	<ol style="list-style-type: none"> <li>1. Acquired through Provision of Land and Assistance Act, 1993 (No. 126 of 1994) or</li> <li>2. the Restitution of Land Rights Act, 1994 No. 22 of 1994) , or</li> <li>3. subject to the Communal Property Associations Act, 1996 (No. 28 of 1996)</li> </ol>
M. OTHER	<ol style="list-style-type: none"> <li>1. Any other category of property as Council may from time to time identify</li> </ol>

	<p>2. As may be determined by the Minister or Council with the concurrence of the Minister of Finance by Notice in the Gazette</p>
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## **6. EXCLUSION OF RATEABLE PROPERTY FROM THE PAYMENT OF RATES**

The following properties will be excluded from the payment of rates:-

- 6.1 properties of which the municipality itself is the owner:-
- 6.2 first 30% of the market value of public service infrastructure in terms of section 17(1) (a) of the Act-
- 6.3 rights registered against immovable property in the name of a person:-
  - 6.3.1 On property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community, which is occupied by the office-bearer of that community who is, officiates at services at that place of worship in terms of section 17(1)(i) of the Act.
  - 6.3.2 The additional valuation of domestic property (excluding accommodation establishments and vacant land) as follows:
    - 6.3.2.1 To the amount of R35 000 is exempt as per council approved tariff for 2020/21 financial year, for properties above R 750 000 (Seven hundred and fifty thousand rands)
    - 6.3.2.2 To the amount of R85 000 is exempt as per council approved tariff for 2020/21 financial year, for properties under R 750 000(Seven hundred and fifty thousand rands)
    - 6.3.2.3 Domestic improved properties (excluding accommodation establishments, garages, jetty's and vacant land) valued at R350 000 and below are exempted from the payment of property rates.
- 6.4 Properties registered or recognised as private nature reserves in terms of relevant legislation, which are not developed or used for commercial, business, agricultural or residential purposes in terms of section 17(1)(e) of the Act.

## **7. DIFFERENTIAL RATE TARRIFS**

### **7.1 GENERAL**

7.1.1 The following may be taken into consideration in determining differential rate tariffs:

7.1.1.1 The use of the property, the permitted use of the property or a combination of use and permitted use.

7.1.1.2 The nature of the property including the impact of rates on its operations e.g. agricultural properties used for farming purposes.

7.1.1.3 The promotion of social and economic development of the municipality.

### **7.2 MULTIPLE USE PROPERTIES**

7.2.1 Property tax on properties used for multiple purposes will be determined by:

7.2.1.1 Apportioning the market value of the property to the different purposes for which the property is used.

7.2.1.2 Applying the relevant rate tariff, to the corresponding market value.

### **7.3 ACCOMMODATION ESTABLISHMENTS**

7.3.1 It is required that all properties within the definition of accommodation 1-8 or accommodation 9+ register with the municipality in order to be categorised in terms of use, by means of a supplementary valuation as provided for in the Act.

7.3.2 Properties that are no longer operating as accommodation establishment are required to provide proof of the following;

7.3.2.1 That all signage is removed.

7.3.2.2 That all links on accommodation websites are removed (safari now, sleeping out etc.)

7.3.2.3 That any links or affiliation with any letting agents be removed.

7.3.2.4 Home page website to be removed (should you wish to retain your home page domain name for email purposes, please ensure a

generic page is loaded by your hosting company that does not show any accommodation)

- 7.3.2.5 Any other form of marketing
- 7.3.2.6 An inspection maybe carried out on the property by a municipal official or representative to verify details on the application.
- 7.3.3 Businesses including accommodation establishments 1-8 and accommodation establishments 9+ will be rated at business rates tariff.
- 7.3.4 Properties that are used as accommodation establishments 1-8 will be granted a 40% rebate on the business tariff.
- 7.3.5 A penalty fee will be levied, where the municipality detects/identify a property operating as an accommodation establishment, where the owners failed to register the property as an Accommodation Establishment with the municipality or in the event where owners supplied incorrect/false information.

## **8. RELIEF MEASURES RELATED TO CATEGORIES OF OWNERS**

**NOTE: IN ADDITION TO WHAT IS SET OUT BELOW, COUNCIL MAY ANNUALLY DETERMINE A BASE VALUE WHICH WILL BE DEDUCTED FROM THE MARKET VALUE SHOWN ON THE VALUATION ROLL, IN COMPUTING THE RATE LIABILITY.**

### **8.1 CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS**

- 8.1.1 The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions
  - 8.1.1.1 Indigent status of the owner of a property.
  - 8.1.1.2 Nature, amount and source of income of the owner of a property. (e.g. pensions & social grants)
  - 8.1.1.3 Social or economic conditions of the area where the owners of
  - 8.1.1.4 property are located e.g. an area declared by the national or provincial
  - 8.1.1.5 government to be a disaster area within the meaning of Disaster
  - 8.1.1.6 Management Act, 2002 (Act.57 of 2002)

- 8.1.1.7 The requirements of the Property Rates Act no 6 of 2004
- 8.1.2 Sufficient proof of status / income of household / affidavits for proof of reasons / identity documents must be attached to all applications;
- 8.1.3 Applicants must occupy the property and not be the owner of more than one property;
- 8.1.4 Where the owner is for acceptable reasons due to no fault of his/her own unable to occupy the property, the spouse or minor children may satisfy the occupancy requirements;
- 8.1.5 The municipal manager or his/her nominee must approve all applications;
- 8.1.6 Applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
- 8.1.7 The municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

## **9. SPECIAL CASES**

### **9.1 PUBLIC BENEFIT ORGANISATIONS**

- 9.1.1 All properties categorised as Public Benefit Organisations will be rated at the prescribed ratio as per the Municipal Property Rates Regulations.
- 9.1.2 Taking into account the effects of rates on Public Benefit Organisations performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, it is proposed that Public Benefit Organisations (PBOs) performing the following specified public benefits activities will be granted a rebate of 100%.
  - 9.1.2.1 Welfare and humanitarian, such as providing disaster relief.
  - 9.1.2.2 Health Care, such as the counselling, care and treatment of persons (and their dependants) afflicted with HIV and AIDS.
- 9.1.3 Applications for Public Benefit organizations must reach the municipality before end October preceding the start of the new municipal financial year in which relief is sought. A tax exemption certificate issued by the South African Revenue Services(SARS) as contemplated in Part 1 of

the Ninth Schedule of the Income Tax Act ,1962 No 58 of 1962.The municipal manager or his nominee must approve all applications.

## **9.2 PUBLIC SERVICE INFRASTRUCTURE**

9.2.1 All public service infrastructure providing essential services to the community shall be rated at the prescribe ratio as per the Municipal Property Rates Regulations

## **9.3 AGRICULTURAL PROPERTIES**

9.3.1 Agricultural properties used primarily for agricultural activities will be categorised as Agricultural and shall be rated at a rate determined by applying the prevailing ratio as prescribed by Regulation. Agricultural properties not predominantly used for bona fide farming purposes shall be rated according to the category of the actual use thereof.

9.3.2 Proof of bona fide farming from SARS is required to request a change of category from other to Agricultural. Confirmation of subsistence farming is subject to in loco inspection to the property.

## **10.REBATES AND GRANTS**

10.1.1 Rebates granted in terms of section 4 of this Policy may be considered for the following categories of properties:

10.1.1.1 Market value of residential property below a determined threshold.

10.1.1.2 Retention and restoration of conservation worthy buildings

10.1.1.3 Heritage areas

10.1.1.4 Sport ground fields

10.1.1.5 Private Schools

10.1.1.6 Private Roads

10.1.1.7 Properties used for businesses purposes where the business is new to the municipality or the nature of the business is new to the municipality.

10.1.1.7.1 This excludes existing business

10.1.1.7.2 Change of ownership occurred

10.1.1.7.3 Name change occurred

10.1.1.7.4 Current business operations are expanded.



10.1.2 The rebate will be applied on a sliding scale as follows:

10.1.2.1 100% in year 1,

10.1.2.2 75% in year 2,

10.1.2.3 50% in year 3, after which the rebate falls away.

10.1.3 Over and above the determinations contemplated in section 17(1) (h) of the Act owners of property who depend on pensions or social grants for their livelihood may qualify for a rebate as determined by Council's Indigent policy.

## **11. CRITERIA FOR INCREASING RATE TARIFFS**

11.1 The following will be taken into account for the purpose of increasing or decreasing of rates:

11.1.1 Priorities of a municipality reflected in its Integrated Development Plan.

11.1.2 The revenue needs of the municipality.

11.1.3 Affordability of rates to ratepayers.

11.2 The municipality will consider the imposition of rates annually during the budget process.

11.3 All increases in property rates will be communicated to the community in terms of Section 21 A of the Municipal Systems Act (Act no. 32 of 2000).

## **12. REDUCTIONS IN MARKET VALUES**

12.1 A 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 flood.

12.2 The reduction will be granted by the Chief Financial Officer only after a valuer has carried out an inspection of the property concerned.

## **13. LIABILITY FOR RATES**

### **13.1 ANNUAL PAYMENT ARRANGEMENTS**

13.1.1 By prior arrangement Knysna Municipality will recover the rates levied in a single amount, which is due on or before 30 September of the year in which it is levied. Applications must be submitted before 31 May for this option however the Chief Financial Officer may consider any applications after this date on merit.

### **13.2 METHOD AND TIME OF PAYMENT**

13.2.1 Knysna Municipality will recover the rates levied in periodic instalments of equal amounts over twelve months. The instalment is payable on or before the last working day of every month, following the month in which it has been levied. Interest will be charged at 1% above the prime interest rate for any late payments received.

### **13.3 RECOVERY OF ARREAR RATES FROM TENANTS, OCCUPIERS AND AGENTS**

13.3.1 If an amount due for rates levied in respect of a property is unpaid after the day determined, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount the municipality might recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount the municipality recovers from the tenant or occupier of the property may be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner.

13.3.2 The municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of rent received by the agent or person, less the commission due to that agent or person, subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent on the property received by that agent or person during a period determined by the municipality.

### **13.4 OWNERSHIP**

13.4.1 Properties, which vest in the municipality during developments, i.e. open spaces and roads, will be transferred at the cost of the developer to the municipality. Until such time, rates levied will be for the account of the developer.

### **13.5 INTERIM VALUATION DEBITS**

13.5.1 In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the new owner will be held responsible for the settlement of the interim rates account.

### **13.6 DEVELOPMENTS**

13.6.1 The developer of a property will be liable for all rates raised on the development until the individual units are transferred to the new owners including properties which must be transferred to the municipality in terms of the land use ordinance and development agreement.

### **13.7 CLEARANCE CERTIFICATE**

13.7.1 With the sale of a property within the municipal jurisdiction the council shall withhold rates clearance certificate until all rates, services and sundry costs attached to the property is paid and an amount equal to four months rates and service charges will be collected in advance as part of the rates clearance process. The rates clearance remains valid for 60 days from the date of issuing.

### **13.8 LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES**

13.8.1 A rate on property, which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme in terms of section 10 of the Act. However, in valuing the sectional title unit there shall be included in that value the owners proportionate share of the value of the common use areas such as gardens, roads, swimming pools, passages etc.

## **14.COSTS OF EXEMPTIONS, REBATES AND REDUCTIONS**

14.1 During the budget process the Chief Financial Officer must inform Council of all costs associated with exemptions, rebates and reductions.

14.2 Provision must be made on the operating expenditure budget for:

14.2.1 the full potential income associated with property rates; and

14.2.2 the full costs associated with exemptions, rebates and reductions.

## **15. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT**

15.1 The municipality may grant rebates to organisations that promote local, social and economic development based on the criteria determined in its local, social and economic development policy(s). The following criteria will apply:

15.1.1 job creation in the municipal area;

15.1.2 social upliftment of the local community; and

15.1.3 creation of infrastructure for the benefit of the community.

15.2 Rebates may be granted up to 100% of the rates payable and must be phased out within 3 years from the date that the rebate was granted for the first time.

## **16. REGISTER OF PROPERTIES**

16.1 The Chief Financial Officer must cause to have drawn up and maintain a register of properties as contemplated as section 23 of the Municipal Property Rates Act.

## **17. NOTIFICATION OF RATES**

17.1 Council will give notice of all rates approved at least 30 days prior to the date that the rates become effective in the local media and by publishing a resolution in the provincial gazette. Accounts delivered after the 30 days' notice will be based on the new rates.

17.2 A notice stating the purport of the Council resolution, date on which the new rates shall become operational will be displayed by the municipality at places installed for that purpose.

## **18. CORRECTION OF ERRORS AND OMISSIONS**

18.1 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

## **19. ROUNDING**

19.1 The values of properties will be rounded off to the nearest R10,000 rand value.

## **20. FREQUENCY OF VALUATIONS**

20.1 The municipality shall prepare a new valuation roll every 5 years. The MEC for local government may extend the period for which the valuation roll is valid to 7 years.

20.2 A supplementary valuation roll shall be prepared at least once a year, in terms of subsection 78(1) of the Act, in respect of any rateable property-

20.2.1 Incorrectly omitted from the valuation roll;

20.2.2 Included in a municipality after the last general valuation roll;

20.2.3 Subdivided or consolidated after the last general valuation roll;

20.2.4 Of which the market value has substantially increased or decreased after the last general valuation roll;

20.2.5 Substantially incorrectly after the last general valuation roll;

20.2.6 That must be revalued for any other exceptional reason;

20.2.7 Of which the category has changed;

20.2.8 The value of which was incorrectly recorded in the general valuation roll as a result of a clerical or typing error.

20.3 An interim valuation request fee in respect of interim valuations submitted outside the prescribed objection period(s) will be payable and proof of payment must accompany the said interim form.

## **21. REVIEW OF THE POLICY**

- 21.1 This Property Rates Policy is the sole policy governing property rates in the municipality. The Municipal Council must approve any reviews to this policy.
- 21.2 The Mayor must submit any proposed changes to this policy to the Council as part of the annual review of policies submitted with the budget documentation.
- 21.3 Whenever the Minister of Finance or the National Treasury or the Auditor-General requires changes to the policy by means of legislation or requests, it should be reviewed promptly in accordance with such requirements, giving full details of the reasons for the revision.