

City of Johannesburg Property Rates Policy 2013/14



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1. Interpretation

- (1) In this Policy, any word or expression to which a meaning has been assigned in the Act bears that meaning and, unless the context otherwise indicates -

“the Act” means the Local Government: Municipal Property Rates Act 6 of 2004;

“bona fide farmer” means the owner of which is taxed by the South African Revenue Services as a farmer;

“Fit for purpose built” means that the structure is fit for use/habitation for purpose built;

“City of Johannesburg Poverty Index” means the poverty index determined by Council from time to time which index identifies levels of financial need in terms of the City's Expanded Social Package;

“consent use” means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Council;

“Council” means -

- (a) the Metropolitan Municipality of the City of Johannesburg established by Provincial Notice No. 6766 of 2000, as amended, exercising its legislative and executive authority through its municipal Council; or
- (b) its successor in title; or
- (c) a structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or subdelegated, or an instruction given, as contemplated in section 59 of the Systems Act; or
- (d) in respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it through a service delivery agreement in terms of section 81(2) of the Systems Act or any other law, as the case may be;

“current monthly rates” means the rate levied on a property monthly;

“financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;

“Indigents” means persons registered as indigent persons in terms of the Credit Control and Debt Collection By-laws of the Council;

“inner city” means the Johannesburg central business district as determined by Council from time to time;

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

“municipal property” means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;

“privately owned property” means property not owned or vested in the state or an organ of state;

“public service infrastructure” means public service infrastructure as defined in the Municipal Property Rates Act 6 of 2004;

“rateable property” means property on which the Council may in terms of sections 2 and 7 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

“ratepayer” means any owner of rateable property as well as any owner of rateable property held under sectional title, situated within the area of jurisdiction of the Council;

“regulation” means a regulation promulgated in terms of the Local Government: Municipal Property Rates Act 6, of 2004;

“school” means a school as defined in the South African Schools Act 84 of 1996;

“Sectional Titles Act” means the Sectional Titles Act 95 of 1986;

“service provider” means a service provider contemplated in paragraph (d) of the definition of Council;

“State” in so far as it relates to property owned and used by the State, means property owned and used by the National Government and Gauteng Provincial Government for the provision of community type services, including but not limited to police stations, hospitals and crematoria. All other property owned and used by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes and police flats etc;

“State social security grant” means any social assistance granted in terms of the Social Assistance Act 59 of 1992;

“Structures Act” means the Local Government: Municipal Structures Act 117 of 1998;

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

“technical and other colleges” means a public college and a private college as contemplated in the Further Education and Training Colleges Act 16 of 2006;

“the/this Policy” means the Property Rates Policy adopted by the Council in terms of Section 3(1) of the Act;

“threshold” means the amount, determined from time to time by the Council during its annual budget process referred to in section 12(2) of the Act, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only;

“Town Planning Scheme” means -
a town planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance 25 of 1965 and the Town Planning and Townships Ordinance 15 of 1986; and any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

“university” means any university and technikon as defined in section 1 of the Higher Education Act 101 of 1997;

zoning” means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in any applicable Town Planning Scheme and “zoned” has corresponding meaning.

(2) Any word or expression -

- (a) imparting any gender or the neuter includes both genders and the neuter, or
- (b) imparting the singular only also includes the plural and vice versa, unless the context otherwise indicates.

2. Legislative Background

- (a) The Constitution of the Republic of South Africa 1996 empowers the Council to impose rates on property.
- (b) In terms of section 4(1)(c) of the Systems Act, the Council may, inter alia, levy rates on property to finance operational expenditure of the Council.
- (c) In terms of section 62(1)(f)(ii) of the MFMA, the Municipal Manager appointed in terms of section 82 of the Structures Act, must, in his capacity as the Council's accounting officer, ensure that the Council has and implements a rates policy.
- (d) The Council:
 - (i) must, in terms of section 3(1) of the Act, adopt a policy consistent with the Act on the levying of rates on rateable property in the municipality.

- (ii) must, in terms of section 6(1) of the Act, adopt by-laws to give effect to the implementation of its rates policy.
- (iii) must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend this Policy. Proposals for reviewing this Policy must be considered by the Council in conjunction with its annual operating budget.
- (iv) may, in terms of section 22 of the Act, levy an additional rate on property in a special rating area and, in doing so, may differentiate between categories of property;
- (e) This Policy is drafted in compliance with the provisions of sections 3(1) and 6(1) of the Act and must be read within the context of the Act.
- (f) Rates are levied in accordance with the Act as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in Chapters 6 and 8, respectively, of the Act.

3. Objectives of the Policy

The key objectives of this Policy are to -

- (a) ensure that all owners of rateable property are informed about their liability for rates;
- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in section 15 of the Act;
- (c) empower the Council to specify a threshold at which rating in respect of residential properties may commence as provided for in section 15 of the Act read with section 17 (1)(h), which it is hereby authorised to do;
- (d) set out the criteria to be applied by the Council if it
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;
- (e) provide for categories of public benefit organisations, approved in terms of section 30(1) of the Income Tax Act 58 of 1962, which are ratepayers, and may apply to the Council for relief from rates;
- (f) recognise the State and the owners of public service infrastructure as property owners;
- (g) encourage the development of property;

- (h) ensure that all persons liable for rates are treated equitably as required by the Act; and
- (i) provide that any rebate contemplated in paragraphs 7 of this Policy is to benefit the owner in occupation of the property.
- (j) To determine the level of increases in rates, the criteria to be applied may include the following:
 - (i) the financing of additional depreciation charges included in the operating budget of the Council;
 - (j) the inflation rate as indicated by the consumer price index excluding mortgage bonds;
 - (i) the financing of increased operating expenditure;
 - (ii) the financing of additional maintenance expenditure;
 - (iii) the additional cost of servicing debt included in the operating budget of the Council;
 - (iv) the augmentation of any revenue shortfall;
 - (v) the financing from the annual operating budget of expenditure related to anything the Council is lawfully empowered to do for which provision has to be made in the budget;
 - (vi) the taking into consideration of the medium term budget growth factors as determined by National Treasury;
 - (vii) In addition to the criteria specified in subparagraph (3) above, the following criteria is taken into account in determining whether a differential rate should be applied:
 - (a) the need to promote economic development;
 - (b) any administrative advantages in applying a differential rate; and
 - (c) the need to alleviate the rates burden on the owners of any particular category of property specified in paragraph 7.

4. Date of Implementation

The Policy will be effective from on 1 July 2013 and is subject to review on an annual basis.

5. Categories of Property for Levying of Differential Rates

- (a) Business and Commercial;**
- (b) Sectional Title Business;**
- (c) Sectional Title Residential;**
- (d) Sectional Title Other;**
- (e) Residential Property;**
- (f) Consent Use;**
- (g) Municipal ;**
- (h) State;**
- (i) Farming;**
- (j) Public Service Infrastructure;**
- (k) Agricultural Business;**
- (l) Agricultural Residential;**
- (m) Agricultural other;**
- (n) Vacant Land;**
- (o) Mining;**
- (p) Education;**
- (q) Religious;**
- (r) Private Service Infrastructure;**
- (s) Private open space;**
- (t) Public Benefit;**
- (u) Multipurpose Residential;**
- (v) Multipurpose Business.**

The Council may levy different rates for different categories of rateable property. All rateable property will be classified in a category and will be rated based on the zoning, or permitted use of the property, unless otherwise stated in the Policy. For purposes of levying differential rates based on the permitted use of properties in terms of section 6(1)(b), read with sections 3(3)(b) and 3(3)(c) of the Act, the following categories of property are determined:

6. Clarification of Categories of Property

- (1) The categories of property specified in paragraph 5 are further circumscribed as follows:

(a) Business and Commercial

Property in this category includes -

- (i) property zoned for business, commercial or industrial purposes;
- (ii) property used for game farming and / or eco-tourism;
- (iii) property used as a race course for any racing in connection with which betting is carried on by means of a totalizator or otherwise;

- (iv) Property zoned private open space used for recreational or sporting facilities or open spaces;
- (v) Property zoned general, special or undetermined which is used for business and commercial or industrial purposes, unless such property is used for residential purposes in which case the residential tariff will be applied. The scale of residential property value reductions and rebates will be applicable to such properties used for residential purposes.

(b) Sectional Title Business

- (i) Sectional Titles that are zoned for business or have businesses operating from a property that is held in terms of the Sectional Titles Act, in which case the sectional title owner shall be liable for rates.
- (ii) Where a property not zoned residential has been developed and is used exclusively as residential, the residential tariff will be applicable. The property owner must submit a declaration as to the purpose the property is being used for, so that it can be rated accordingly. The scale of residential property value reductions and rebates will be applicable to such property

(c) Sectional Title Residential

Property zoned residential and used solely for residential purposes held in terms of the Sectional Titles Act shall, from the date of implementation of the Act, individually be subject to the levying of rates.

The City will not levy a rate on the first value up to R200 000 of the market value as per the Valuation Roll of Residential Properties, as follows:

- on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
- on the balance of the market value up to R185 000 in respect of residential properties, Provided that the Council may from time to time during its annual budget process contemplated in section 12(2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.

(d) Sectional Title Other

Property zoned residential within a residential sectional title complex, these being structures that need to be valued separately including but not limited to garages, maids quarters, security houses will be rated at the residential tariff.

(e) Residential Property

Residential property shall include:

- (i) Property zoned and used for residential purposes but excluding any business or commercial zoned property with a residential component or residential with consent use;

The City will not levy a rate on the first value up to R200 000 of the market value as per the Valuation Roll of Residential Properties, as follows:

- on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
 - on the balance of the market value up to R185 000 in respect of residential properties, Provided that the Council may from time to time during its annual budget process contemplated in section 12(2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount;
- (ii) Where a property is zoned institutional but the actual usage is residential, the owner of such property shall be required to apply to the Council in writing for the levying of property rates at a tariff lower than that applied to the business, commercial and industrial category. The Council has the right to call for documentary evidence and/ or conduct a physical inspection of the property in terms of such application. Where the actual usage is primary residential, the scale of residential property value reductions and rebates will be applicable to such properties.

(f) Consent Use

A consent use is an extended right to use land or to erect and use a building on the land granted in terms of an applicable Town Planning Scheme; Provided that:-

- (i) Any property zoned for residential purposes in respect of which a consent use has been granted for any business, commercial or industrial purpose shall be rated as residential with consent use;
- (ii) If a consent use is granted, the category of the property concerned will be updated in the valuation roll or supplementary valuation roll, as the case may be, to reflect residential with consent use;
- (iii) If a consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of the property concerned may apply to the Council for the re-instatement of the residential rate. If approved, the residential rate shall be re-instated as from the date that the Council is satisfied that the property is being used for residential purposes only in terms of the zoning thereof;
- (iv) Where a residential property with a market value less than that specified in the threshold is partially used for non- residential purposes, such property will remain in the category of residential; and
- (v) Consent use granted on any property other than referred to in (i) above will result in that property being rated at the tariff applicable to the purpose of the consent within the range of property categories set out in Section 5.

(g) Municipal

All property owned by or vested in the Council are not rateable:

(h) State

- (i) Property owned by the State is rateable and will be categorized according to the zoning of the property;
- (ii) If property owned by the State is zoned for the provision of residential accommodation, the rates must, after presentation of a Certificate of Occupancy, be levied in terms of the residential tariff; and
- (iii) Only use classified as State as defined in this Policy, will be rated in accordance with the tariff determined for State owned property.

(i) Farming

Property in this category is limited to property zoned as agricultural/farming and used predominantly for bona fide farming purposes with the property owner deriving his principal source of income from the produce of the land on such property. This category excludes property used for purposes of eco-tourism or a game farms, equestrian estates and non edible farming.

Agricultural/farming property not used for bona fide farming purposes shall be rated according to the actual use thereof.

(j) Public Service Infrastructure

Property falling within this category shall be rated at the prevailing ratio as promulgated by Regulation.

(k) Agricultural Business

Agricultural holdings where a business or commercial activity is taking place shall be rated according to the business and commercial tariff unless the owner can prove that it is a bonafide farmer.

(l) Agricultural Residential

Agricultural holdings shall be rated according to the published tariff unless the owner can prove that he/she is a bonafide farmer.

(m) Agricultural Other

Agricultural holdings where a industrial or horticultural activity is taking place shall be rated according to the business and commercial unless the owner can prove that it is a bonafide farmer.

Used for purposes that is not residential or business i.e nursery

(n) Vacant Land

- (i) Vacant land, which includes land without a zoning, deproclaimed mining land and any undeveloped land/ erf within a proclaimed township or a land development area contemplated in the Development Facilitation Act, 1995 (Act No. 67 of 1995) not transferred by a developer or an applicant under that Act, is considered to be vacant land and shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy.
- (ii) Property laid out or developed as a sporting facility, including allied training facilities and parking space for such facility shall not be considered as vacant land.
- (iii) The tariff applicable to vacant land will take precedence over the tariff applicable to the property category where such land is vacant.

(o) Mining

Property used for mining purposes or purposes incidental to mining operations must be rated as if zoned business, commercial.

(p) Education

Property in this category refers to property owned by educational institutions that are registered with the South African Revenue Services in terms of Section 30 of the Income Tax Act 58 of 1962 that provide education and development services as contemplated in Item 4 of the Ninth Schedule to that Act.

(q) Religious

Property in this category refers to property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office -bearer of that community who officiates at services at that place of worship.

(r) Private Service Infrastructure

Property falling within this category shall be rated at the tariff applicable to Public Service Infrastructure. This includes:

- (i) Privately owned land comprising a developed internal roadway network and access control that cannot be separately sold within a complex.
- (ii) Stormwater control measures within a complex.

(s) Private Open Space

Private open spaces include recreational, sporting facilities. Property in this category shall be rated at the tariff applicable to public service infrastructure provided that:

- The property is used 80% for sports activities;
- The Club is actively and it must prove to the City that it is involved in sports development programmes for previously disadvantaged communities;

- The organization is registered with SARS and an association without gain;
- The organization provides to the City 3 years audited financial statements and can prove to the City that it is not in the financial position to pay the full rates;

(t) Public Benefit

Property in this category shall be rated according to the prevailing nationally promulgated rates ratio based on usage of property subject to:

The Public benefit organisation providing the City with 3 years audited financial statements and can prove to the City that it is not in the financial position to pay the full rates.

A public benefit organisation is required to provide a specified public benefit service as set out in terms of Section 30 of the Income Tax Act. Notwithstanding the provisions of subparagraph (1), property which is used in conflict to its zoning will be rated at the tariff applicable to business and commercial.

Any property not falling within the ambit of subparagraph (1) shall be deemed to be business and commercial for the purposes of levying a rate.

(u) Multipurpose Residential

Where a property's zoning allows more than one permitted use and where the use of the property is used dominantly (fifty plus one percent) for residential purposes the entire property will be rated in accordance with the residential tariff. Only if the property owner submits a declaration duly certified by a registered town planner as to the purpose the property is being used for, so that it can be rated accordingly. However the residential rebate will not apply.

(v) Multipurpose Business

Where a property's zoning allows for more than one permitted use and where the use of the property is used dominantly (fifty plus one percent) for business and commercial purposes the entire property will be rated in accordance with the business rate.

7. Categories and Conditions of Ownership for Purposes of Exemptions, Reductions and Rebates

(1) The following categories of ownership are determined for purposes of exemptions, reductions and rebates:

- (a) residential properties owned and occupied by natural persons who have limited income and who are not pensioners but can show that his or her annual income falls below the limit determined by Council from time to time. The owners of property contemplated in this paragraph must own and occupy the property concerned. The owners must also accrue a specified score on the City of Johannesburg Poverty Index. The maximum value of the property in respect of this paragraph does not exceed R 2 000 000;
- (b) residential properties owned and occupied by natural persons who are dependent on social assistance in terms of the Social Assistance Act 59 of 1992 as their sole source of income. The owners of property contemplated in this paragraph must own and occupy the property concerned. The owners must also accrue a specified score on the City of Johannesburg Poverty Index. The maximum value of the property in respect of this paragraph does not exceed R 2 000 000;
- (c) residential properties owned and occupied by pensioners who are not persons contemplated in subparagraph (b), provided that the total income of the household does not exceed the limits determined by Council from time to time. The owner must have reached the age of 60 years. The owners of property contemplated in this paragraph must own and occupy the property concerned; The maximum value of the property in respect of this paragraph does not exceed R 2 000 000;
 - If a pensioner earns national security grant, he/she qualify for a 100% rebate;
 - If a pensioner has a gross monthly income below R7 000, he/she qualify for a 100% rebate;
 - If a pensioners, has a gross monthly income above R7 000 but less than R12000 he/she qualify for a 50% rebate.

This applies also to pensioners, who are disable, due to injury. To qualify for the rebate a property owner must have become a pensioner due to injury.

- (d) 100% rebates to owners of property contemplated in paragraph 7(c) are restricted to persons who have reached the age of 70 years and that the maximum value of the property in respect of this paragraph does not exceed R2 000 000;
- (e) any owner of property referred to in paragraphs 7(a), (b), (c) and (d) above must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by a copy of the applicant's social security card or his/her most recent income tax assessment issued by the South African Revenue Services or other proof of income acceptable to the Council; and

- (f) a rebate in respect of property referred to in paragraphs 7(a), (b) and (c) and above shall be granted for a maximum period of 2 (two) years, provided that:
- (i) the status of the beneficiary does not change within this period it shall be necessary re- apply/re-confirm in terms of subparagraph (e) and
 - (ii) such beneficiary shall notify the Council in writing in the event of any change in his/her financial status that may affect the granting of the rebate.

any owner of property referred in paragraph 7 (d) will make a once off application to the Council.

- (2) No retrospective rebates will be granted and rebates contemplated in subparagraph (3) below are dependent upon successful application to the Council and thereafter prior to the expiry of the validity period of any existing rebate. New applications will be accepted after an applicant has reached the age of 60 years.

The criteria for and maximum extent of rebates for categories of ownership specified in paragraphs 7(a) to (c), inclusive, shall be as follows:

- (a) Property specified in paragraph 7 (a):

Greater than zero but not exceeding 34 points on the City of Johannesburg Poverty Index:

A maximum of 70 percent of the current monthly rates

35 Points and greater on the City of Johannesburg Poverty Index:

A maximum of 100 percent of the current monthly rates; and

- (b) Property specified in paragraph 7(b):

A maximum of 100 percent of the current monthly rates;

- (c) Property specified in paragraph 7(c):

- (i) A maximum of 100 per cent of the current monthly rates where the monthly income of the household does not exceed the lower limit to be determined by Council from time to time during its annual budget process contemplated in section 12(2) of the Act;

- (ii) A maximum of 50 per cent of the current monthly rates where the monthly income of the household exceeds the lower limit but does not exceed the upper limit to be determined by Council from time to time during its annual budget process contemplated in section 12(2) of the Act.

(g) property owned by institutions which provide education and /or student accommodation at -

(i) Universities, technical and other colleges;

A maximum of 20 per cent of the current monthly rates;

(ii) Public, primary and secondary schools which are State funded;

A maximum of 50 per cent of the current monthly rates;

(h) property:

(i) declared as heritage sites in terms of Section 27 of the National Heritage Resources Act 25 of 1999;

(ii) designated as protected areas in terms of section 28 of the National Heritage Resources Act 25 of 1999; and

(iii) designated as heritage areas in terms of section 31 of the National Heritage Resources Act 25 of 1999;

A maximum rebate of 20 per cent of the current monthly rates:

Provided that:

(i) Application for a rebate must be made annually on a form prescribed by the Council; and

(ii) The rebate contemplated in this subparagraph shall be subject to any limitations that may be placed on financial incentives for the conservation of heritage resources in terms of section 43 of the National Heritage Resources Act 25 of 1999;

(i) residential sectional title properties;

A maximum of 15 percent of the current monthly rates.

(j) property registered in the name of an institution or organisation which has as its exclusive objective the protection of animals;

A maximum of 100 percent of the current monthly rates

(k) property, including sectional title units that form part of a development, that are developed at an appropriate density as determined by the Council from time to time during its budget process contemplated in section 12(2) of the Act;

A maximum of 20 percent of the current monthly rates.

- (l) residential properties owned and occupied by natural persons temporarily without income as contemplated in section 15(2)(c) of the Act;

A maximum of 100 percent of the current monthly rates:

Provided that:

- (i) any owner of property referred to in paragraph 7(l) above must apply monthly for the Council's approval for a rebate on a form prescribed by the Council, accompanied by such proof as the Council may reasonably require to substantiate any entitlement to a rebate contemplated in this subparagraph; and
- (ii) the rebate contemplated in this subparagraph shall be granted on a monthly basis and shall be subject to such limitations as the Council may determine from time to time.

(m) property situated within an area affected by:

- (i) a disaster within the meaning of the Disaster Management Act 57 of 2002;

A maximum of 100 percent of the current monthly rates:

Provided that:

- (i) any owner of property referred to in paragraph 7(m) above must apply for the Council's approval for a rebate on a form prescribed by the Council, accompanied by such proof as the Council may reasonably require to substantiate any entitlement to a rebate contemplated in this subparagraph; and
- (ii) the rebate contemplated in this subparagraph shall be subject to such duration and limitations as the Council may determine in relation to a specific disaster or event;

(n) vacant land outside of the urban development boundary

A maximum of 50 percent of the current monthly rates:

Provided that any owner of property must:

- (i) apply to the Council for a rebate;
- (ii) supply an appropriate letter from the Development Planning of the Council or a structure exercising a delegated power in terms of the Systems Act in support of his claim that the property could not be developed as a result of the unavailability of bulk infrastructure and/or bulk services for the duration of the Council's ensuing financial year.

- (o) properties owned by juristic persons that fall under the ambit of Housing Development Schemes for Retired Persons Act, 65 of 1988, as amended.

A maximum of 50 percent of the current monthly rates: Provided that the onus shall be upon the owner of property to pass the benefit of the rates rebate to the registered holder(s) of a right of occupation.

If the owner fails to pass rates rebate benefit to registers holders, the City may apply full rating with retrospective effect to the date of Council applying the rebate.

- (p) Any property owned by an individual or entity designated as Registered Social Landlord under the prevailing Registered Social Landlord Policy of the City of Johannesburg, provided such a property is in compliance with the full set of conditions laid out by the Registered Social Landlord Policy, the following shall apply:

- (a) A rebate of 40 (forty) percent on the rates charges applied to said property in cases where the property has been zoned for commercial use and is rated accordingly.

- (b) Rating at the prevailing tariff applicable to a Public Benefit Organisation registered as a non profit organisation in terms of Section 30 of the Income Tax Act provided the public benefit organisation provides services on site meeting the definition of welfare and humanitarian services as defined in the Schedule of the Act and is designated as a registered social landlord.

- (q) Child Headed Households

Property shall be classified as a "Child Headed Household: if the minors of the household have been investigated by a social worker from the Department of Social development and declared as such.

A maximum of 100 per cent of the current monthly rates: The rebate shall be subject to the following:

- (a) The property is worth not more than R2, 000 000.00;
- (b) The terminally ill parent, the child or the deceased estate of the parent as aforesaid must be the owner of the property;
- (c) The Application must be accompanied by:
 - (i) Confirmation from the department of Social Development that the above criterion have been met and that the property is one that is a Child Headed Household;
 - (ii) If the parent is deceased:
 - A copy of the letter of Executorship of administration of the Deceased Estate;
 - A copy of the Liquidation and Distribution Account showing transfer of the property to the minors;
 - The death certificate of the parent;

- (iii) if the parent is terminally ill, certified copy of the Medical Report confirming his/her status and
- (iv) Birth certificates of minors residing on the property.
- (e) The minors must reside permanently on the property;
- (f) Applications must be renewed annually by the Department of Social Welfare.

The rebate will lapse:

- (a) When the minor reaches the age of majority;
 - (b) On alienation of the property;
 - (c) When the minor ceases to reside permanently on the property;
 - (d) If the Department of Social Development no longer regards the Household as being child headed;
 - (e) If applications are not submitted annually; late applications may be reinstated with effect from the next practical billing cycle.
- (5) Rebates shall be prioritised and calculated in the following manner:
- i. Where a heritage site rebate is applicable to any particular category of ownership, such heritage site rebate will take precedence over the remaining rebates.
 - ii. A remaining rebate will be calculated on the balance of rates payable after deduction of the heritage site rebate.
 - iii. A Sectional Title rebate will rank second in order of precedence after the heritage site rebate has been applied.
- (6) The granting of rebates shall not allow a total rebate in excess of 100%.
- (7) The Council may, notwithstanding the extent of any rebate granted, resolve that all rateable property, including properties in respect of which 100% rebates are granted, shall be subject to the payment of such minimum property rate as the Council may determine from time to time during its annual budget process contemplated in section 12(2) of the Act.

8. Special Rating Areas

- (1) The Council may, on receipt of an appropriate application and by resolution of the Council, determine an area or areas within the municipality as a special rating area or areas in the manner provided for in Section 22 of the Act, subject to such conditions it may deem necessary, and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.
- (2) The determination of a special rating area must be consistent with the objectives of the integrated development plan of the Council.

9. Illegal Use of Property

Where a property is abandoned used or developed illegally and in contravention with the Council's By-Laws and regulations the Council will apply a tariff of vacant land.

10. Liability for Rates

- (1) Property rates is a tax in terms of section 11 of the Prescription Act 68 of 1969 and the Council may recover rates in arrear for a period of up to 30 years.
- (2) On the basis that rates constitute taxation, there shall be no quid pro quo between the ratepayer and the benefit received from the Council.
- (3) Rates-
 - (a) which are recovered by the Council on an annual or a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer.
 - (b) are payable in full on or before the due date and interest will be charged on rates that are in arrears.
- (4)
 - (i) 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 onus shall be on the ratepayer concerned to establish the amount due for the rates and to pay that amount to the Council.
 - (ii) Liability for and payment of rates is further governed by the MPRA and the City's Credit Control and Debt Collection By-Laws and Policy.
- (5) In the case of joint ownership of property, all the property owners are jointly and severally liable for the payment of rates and any interest charges thereon.
- (6) In respect of property that has been let by a ratepayer, the Council may recover unpaid rates from the tenant to the extent of any unpaid rental due to the ratepayer.
- (7) The Council may recover unpaid rates from the agent of the ratepayer but only to the extent of the rental in respect of the property concerned received by the agent, less any commission due to the agent by the ratepayer.
- (8) A ratepayer that wishes to dispose of a property must comply with the provisions of section 118 of the Systems Act, which requires an advance payment of an amount to cover, inter alia, the rates due before a certificate as contemplated in the said section is issued, such payment to be calculated to cover a lead time as specified in the Systems Act.

11. Dealing with Applications

The Council must consider every application in terms of this Policy within a reasonable time and may approve the application, subject to such conditions as the Council may deem appropriate under the circumstances, or refuse it.

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Rates and Taxes Department

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