

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

6 DRAFT DETERMINATION OF PROPERTY RATES TARRIFS FOR TABLING 2020/2021

1 STRATEGIC THRUST

The City identified nine (9) Priority Areas that the SDBIP, IDP and budget aim to achieve. The applicable Priorities for this Report are:

Priority 3: Create a culture of enhanced service delivery with pride and dignity; and

Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses.

Priority 7: Financial Sustainability.

2 OBJECTIVE

- To obtain approval for tabling of the Draft Property Rates to be levied.
- To obtain approval for the granting of rebates in respect of the 2020/2021 financial year.

3 SUMMARY

Property Rates are levied in terms of the Local Government: Municipal Property Rates Act, 6 of 2004 (the Act) as amended read with the Council's Rates Policy.

The adoption of the various Rates for the 2020/2021 financial year is based on the provisions of the Act and the Property Rates Policy. A separate Rate in the Rand is being proposed for each category of property as listed in the Rates Policy and mentioned in the body of the report.

(1) Financial Overview

Rates revenue is one of the major funding sources for the City of Johannesburg. The services funded from the rates revenue include, inter alia, health, safety and security, roads and public parks as well as many other community related services. The factors influencing the cost structure of providing such services, is the inflationary pressure and cost of supplies required to maintain these services and assets.

In keeping with the requirements of the City's tariff policy, Council tariffs should continue to be affordable, competitive and promote economic development.

This rationale has guided the Council in the formulation of the budget and the rates tariff proposals for the ensuing financial year. There were numerous factors that were taken into account in recommending the tariffs for the 2020/2021 financial year, including but not limited to the following:

6.2

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- The market values of properties in the General Valuation Roll 2018.
- The ratio's as previously determined by Council.
- Budgetary requirements.
- Compliance with the tariff policy.
- The Economy of the country

(2) Sectional Title

Provision is made in the tariff calculation for residential rating to be applied to Sectional title units where the zoning is not residential but the apparent usage is residential. An application should be submitted by the property owner confirming usage and the adjustment is not retrospective. The properties under this category qualify for additional 5% rebate when they meet the City's requirements for Densification. The rebate can be applied for by individual unit owners or by the body corporate representing all sectional title unit owners.

(3) Agricultural Residential

It is proposed that the ratio for agricultural residential be maintained at 1: 1. The agricultural residential rebate be maintained 10%.

(4) The Property Market Valuation Base

Changes in the property base used to determine the rate in the Rand can be summarised as follows:

Category	AD2 RESI PBO	Nr Properties	Market Value
To be Valued(Nulls)	AD2	2	0
To be Valued(Nulls)	NORMAL	1232	0
Agricultural Business	AD2	322	5,772,322,000
Agricultural Business	NORMAL	785	14,954,973,000
Agricultural Business	PBO	1	21,920,000
Agricultural Other	AD2	10	51,530,000
Agricultural Other	NORMAL	95	333,176,000
Agricultural Residential	AD2	105	605,362,000
Agricultural Residential	NORMAL	5913	22,119,490,600
Agricultural Residential	PBO	10	363,570,000
Agricultural Residential	RESI	1	379,500
Business & Commercial	AD2	968	5,463,465,000
Business & Commercial	NORMAL	24243	285,008,405,000
Business & Commercial	PBO	21	334,036,000
Consent Use	NORMAL	57	156,954,000
Consent Use	PBO	1	7,470,000

6.3

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Category	AD2 RESI PBO	Nr Properties	Market Value
Education	AD2	66	292,295,000
Education	NORMAL	1475	23,139,265,000
Education	PBO	10	224,361,000
Farming	AD2	7	11,042,000
Farming	NORMAL	67	234,746,000
Mining	AD2	3	8,513,000
Mining	NORMAL	69	210,949,000
Multiple Purpose Business	AD2	14	55,472,000
Multiple Purpose Business	NORMAL	332	4,390,519,000
Multiple Purpose Residential	AD2	29	171,012,000
Multiple Purpose Residential	NORMAL	1441	10,160,511,000
Municipal	AD2	2072	10,765,433,000
Municipal	NORMAL	22	11,916,000
Private Open Space	AD2	18	29,487,000
Private Open Space	NORMAL	628	2,083,319,800
Public Benefit Organisations	NORMAL	7	160,859,000
Public Open Space	AD2	2134	6,908,978,000
Public Open Space	NORMAL	314	914,757,000
Public Service Infrastructure	AD2	4108	1,141,452,000
Public Service Infrastructure	NORMAL	8067	2,176,012,100
Public Service Infrastructure	PBO	1	1,000
Public Service Infrastructure Private	AD2	3	27,000
Public Service Infrastructure Private	NORMAL	516	265,810,000
R.E. of Township	AD2	203	5,501,348,000
R.E. of Township	NORMAL	552	7,976,703,473
Religious	AD2	42	103,044,000
Religious	NORMAL	2380	7,774,779,000
Religious	PBO	13	149,617,000
Residential	AD2	7255	4,914,152,000
Residential	NORMAL	561690	642,367,572,548
Residential	PBO	93	1,515,675,000
Residential	RESI	12	5,162,000
Sectional Title Business	AD2	18	21,051,000
Sectional Title Business	NORMAL	15149	31,832,985,100
Sectional Title Business	PBO	1	2,050,000
Sectional Title Business	RESI	5647	4,228,257,000
Sectional Title Other	NORMAL	7763	460,736,000

6.4

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Category	AD2 RESI PBO	Nr Properties	Market Value
Sectional Title Other	RESI	2	366,000
Sectional Title Residential	AD2	1177	372,707,000
Sectional Title Residential	NORMAL	220803	213,189,280,750
Sectional Title Residential	RESI	289	111,932,350
State	AD2	22	46,844,000
State	NORMAL	949	21,868,407,800
Vacant Land	AD2	6769	7,555,031,000
Vacant Land	NORMAL	19183	29,125,717,580
Vacant Land	PBO	2	1,912,000
		905 183	1,377,675,120,601

The 2018 General Valuation Roll extracted on the 31st January 2020 consists of a total of 905 183 properties. Tariff modelling was based on 903 949 properties. There are 1,234 properties that are yet to be valued therefore they are called Nulls and are excluded in the calculation of projected revenue. Included in figure of 903 949 are municipal owned properties that don't generate revenue for the City. The Municipal Properties are identified in the table above as AD2.

(5) Prevailing Rate in the Rand

The prevailing Rate in the Rand was set by the Council at its meeting held on 24 May 2019. This rate was based on differential rating and it was estimated to yield net amount of R12.29 billion after rebates.

(6) Revenue Projection 2020/2021

On a base rate increase of 4.9%, the residential rate in the Rand will increase from R0.007749 to R0.008129 for 2020/2021 financial. The business rate will increase by 4.9% from R0.020147 to R0.021134. This increase is based on retaining the business ratio at 1:2.6. Total rates revenue, after rebates and valuation adjustments, is estimated at R12.96 billion after revenue foregone.

(7) Proposals

It is proposed that the income levels for pensioners be increased from the lower amount of R9 753 to R10 230 and the higher amount from R16 716 to R17 535. This renders an average increase of about 4.9%.

It is proposed that the threshold of property values for qualifying pensioners be retained at R2.5 million.

6.5

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(8) Differential Rating

The concept of differential rating means that the rate in the Rand is not constant across all categories of property. This is authorised in terms of Section 8 of the Municipal Property Rates Act. The residential tariff is used as the base rate and the other tariffs determined in relation to the residential tariff, calculated on the proposed ratios between categories.

In order to realise the income required to finance the envisaged operational activities of the Council for the ensuing financial year, the proposed differentials for categories and application of the ratios and tariffs, are as indicated in the table below.

No	Category	Ratio 2019/2020	Rates for 2019/2020	Ratio 2020/2021	Rates tariffs for 2020/2021	% Increase
1	Agricultural residential	1:1	0.007749	1:1	0.008129	4.9%
2	Agricultural business	1:2.6	0.020147	1:2.6	0.021134	4.9%
3	Agricultural other	1:1	0.007749	1:1	0.008129	4.9%
4	Residential	1:1	0.007749	1:1	0.008129	4.9%
5	Residential Consent use	1:2	0.015499	1:2	0.016258	4.9%
6	Business and commercial	1:2.6	0.020147	1:2.6	0.021134	4.9%
7	Sectional Title Business	1:2.6	0.020147	1:2.6	0.021134	4.9%
8	Sectional Title residential	1:1	0.007749	1:1	0.008129	4.9%
9	Sectional Title other	1:1	0.007749	1:01	0.008129	4.9%
10	Municipal property	0	0	0	0.000000	4.9%
11	Farming	1:0.25	0.001937	1:0.25	0.002032	4.9%

6.6

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

No	Category	Ratio 2019/2020	Rates for 2019/2020	Ratio 2020/2021	Rates tariffs for 2020/2021	% Increase
12	Mining land	1:2.6	0.020147	1:2.6	0.021134	4.9%
13	Vacant Land	1:4	0.030996	1:04	0.032515	4.9%
14	PSI	1:0.25	0.0001937	1:0.25	0	4.9%
15	PSI privately owned	1:0.25	0.001937	1:0.25	0.002032	4.9%
16	Private open space	1:0.25	0.001937	1:0.25	0.002032	4.9%
17	Public open space	1:0.25	0.001937	1:0.25	0.002032	4.9%
18	State	1:1.5	0.011623	1:1.5	0.012193	4.9%
19	Education	1:0.25	0.001937	1:0.25	0.0020332	4.9%
20	Religious	0	0	0	0	4.9%
21	Multipurpose residential	1:1	0.007749	1:1	0.008129	4.9%
22	Multipurpose business	1:2.6	0.020147	1:2.6	0.021134	4.9%
23	R E of a township	1:2.6	0.020147	1:2.6	0.021134	4.9%
	Category of ownership					4.9%
1	Public benefit organisation	1:0.25	0.001937	1:0.25	0.002032	4.9%
	Penalty Tariff					4.9%
1	Unauthorised use	1:6	0.046494	1:6	0.048772	4.9%

6.7

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

The ratio for unauthorised use (penalty tariff) will be determined by Council on a yearly basis. It is proposed that the unauthorised be retained at the ratio of 1:6. And be increased by CPI as determined by Council on the yearly basis.

Rebates on Rates tariffs for 2020/2021

Residential Value Exclusion	First R350 000 of value of all residential property to be excluded from rating
Other rebates :	
Pensioner owners whose gross monthly household income is lower than R10 230 Property value not more than R2.5 million	100%
Pensioner owners whose gross monthly income is higher than R10 230 but lower that R17 585 in a property value not more than R2.5 million	50%
Pensioners owners who are seventy and above irrespective of income in a property valued not more than R2.5 million	100%
High density rebate	5%
Expanded social Package pensioners who live in a property not more than R2.5 million	100%
People who are on Expanded social package who are not pensioners who's property value does not exceed R500 000	100%
Heritage Sites	20%
Organizations with purpose of Animal Protection	100%
Property Owned by Organizations in terms of the Housing Development Schemes For Retired Persons Act	50%
Vacant Land subject to conditions	50%
Private Sports Clubs	40%
Child headed family with a property value not exceeding R2.5 million	100%
Residential Value Exclusion	First R350 000 of value of all residential property to be excluded from rating
People who are on a government grants because of disability whose gross monthly household income which is lower than R10 260. Property value not more than R2.5 million	100%
People who are on pension because of disability whose gross monthly income is higher than R10 230 but lower that R17585 in a property value not more than R2.5 million	50%

The property rebate principle criteria are:

Pensioners:

- | | | |
|---|--|--------------|
| (a) Minimum age: | | 60 years |
| (b) Maximum property value:
(Market Value per the 2018 Valuation Roll) | | R2.5 million |

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(c)	Gross monthly income for 100% rebate Maximum	R10 230
(d)	Gross Monthly income for 50% rebate is	R10 230 to R17 535
(e)	Pensioners over the age of seventy (70) are exempt provided their property value is not more than R2.5 million	
	Child headed family:-	
(f)	100% rebate (pensioner property threshold will apply)	
	Maximum property value: (Market Value per the 2018 Valuation Roll)	R2.5 million
	Disability:-	
(g)	People who are on a government grant because of disability (Same principles as pensioners apply)	
	Maximum property value: (Market Value per the 2018 Valuation Roll)	R2.5 million
	Gross monthly income for 100% rebate	R10 230
	Gross Monthly income for 50% rebate is	R10 230 to R17 535
	Military veterans:	100% Rates rebate.

The increase to the income levels for this category of rebates is inflation (CPI) related.

(9) Special Cases

Various instances arise where the Council is requested to consider relief in respect of the payment of rates. This type of relief can be granted in terms of the rates policy to specified categories of property ownership.

In terms of the Rates Policy, those organisations and pensioners who continue to qualify for a rebate will be recorded on the billing system as a category of ownership. This will ensure that beneficial rating continues to apply to such property owners.

FINANCE

In the case of pensioners who own and live in those properties, the pensioner rebate benefit will be granted for four years or for the duration of the prevailing valuation roll. Pensioners will be required to reconfirm/re-apply, at the end of the four year period or at the end of the duration of the valuation roll, for the continuation of pensioner rebate. Pensioners applying for expanded social package are now required to complete the pensioner's application form in order to qualify for the pensioner rebate. The period of granting the ESP pensioners will be same as the ordinary pensioners.

(10) Determination of Property Values and earning Levels for Property Owners for rebates based on Category of Ownership. The Rates Policy allows for residential property owners who are retired to apply for pensioner rebate. It is necessary that the Council determines the appropriate cut off levels for the application of such rebates for pensioners.

It is proposed that the threshold be increase to R10 230 per month for the lower level and the ceiling of the upper level be increased to R17 535 per month.

Life right pensioners, who live in sectionalised units registered in their names, will be treated as pensioners stated above.

Life rights pensioners who reside in life rights scheme registered in the name of the Trust or company will continue to receive the 50% rebate on the whole retirement village. Where a pensioner owns more than one property, the rebate is restricted to the property used as the place of primary residence.

(11) Exemptions, Reductions and Rebates

Section 15 (2)(e) of the Act permits a Council to allow rebates to the owners of residential properties with a market value lower than an amount determined by the municipality. The Act provides that the first R15 000 of the value of all residential property be exempt from rating. The Council granted an additional threshold rebate of R335 000 giving the total threshold of R350 000 of market value for residential property.

(12) Residential high density rebate

The policy of the Council is to encourage the improved utilisation of land. The development of Sectional Title is an appropriate avenue through which the Council's objectives are to archive densification. The category consists of properties that are developed with a minimum density of 80 dwelling units per hectare, including sectional title units. A rebate of 5% of the current monthly rates will be applied.

6.10

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(13) Vacant Land where Council is not able to provide infrastructure services

Certain pockets of land may be vacant owing to the Council not being in a position to provide infrastructural services within the ensuing financial year. Under such circumstances, a rebate of 50% of the vacant land tariff will be proposed.

The granting of this rebate is dependent upon successful application by the property owner concerned and the application has to be supported by the technical service departments concerned. Provision has been made in the estimates for a rebate 50% for property situated outside the urban development zone since development is presently not permitted owing to lack of infrastructure services.

(14) Public service Infrastructure

In line with section 11(1)(b) of the Municipal Property Rates act, the City of Johannesburg will continue to exempt from rates the 30% of the value of the public service infrastructure.

4 POLICY IMPLICATIONS

The provisions of the Rates Policy of the Council have been complied with.

5 LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report has been finalised in conjunction with Legal Services to ensure compliance with all relevant legislation. It should be pointed out that in terms of Section 28(6) of the Local Government : Municipal Finance Management Act, 56 of 2003, the new proposed rates, once determined in respect of the 2019/2020 Financial Year, may not be further increased during that financial year. Care should thus be exercised to ensure that the proposed increases comply with the budgeted needs of the Council in respect of the 2020/2021 Financial Year.

6 FINANCIAL IMPLICATIONS

The proposed rates in the Rand have been based on the funding requirements of the City as well as the 2018 General Valuation roll and subsequent supplementary valuation rolls.

7 ECONOMIC IMPLICATION

(1) Economic development initiatives/project

None.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(2) Job creation

None.

(3) Skills development

None.

8 COMMUNICATIONS IMPLICATIONS

Public participation meetings will take place in April 2020, in addition to the promulgation of the rates tariffs as prescribed by the applicable legislation.

9 OTHER DEPARTMENTS/BODIES CONSULTED

Budget Office
Legal and Compliance

10 KEY PERFORMANCE INDICATOR

Implementation of revised annual rates tariffs in alignment with Rates Policy

IT IS RECOMMENDED

- 1 That in terms of Sections 2, 7, 8 and 14 of the Local Government : Municipal Property Rates Act 6 of 2004 ("the Act"), read with Sections 4(1)(c)(ii) and 11(3)(i) of the Local Government : Municipal Systems Act 32 of 2000 ("the Systems Act") and Section 24(2)(c)(i) of the Local Government : Municipal Financial Management Act 56 of 2003 ("the MFMA"), The Council of the City of Johannesburg Metropolitan Municipality hereby declares its intention that the following draft rates in the Rand are to be levied for the financial year 1 July 2020 to 30 June 2021, on the market value of property or on the market value of a right in land within the area of jurisdiction of the Council as appearing in the valuation roll, in respect of the various categories of properties set out below:**

	Category	Ratio for 2020/2021
1	Agricultural Business	1:2.6
2	Agricultural Other	1:1
3	Agricultural Residential	1:1
4	Business & Commercial	1:2.6
5	Consent Use	1:2
6	Education	1:0.25
7	Farming	1:0.25
8	Mining	1:2.6

FINANCE

	Category	Ratio for 2020/2021
9	Multiple Purpose Business	1:2.6
10	Multiple Purpose Residential	1:1
11	Municipal	0
12	Private Open Space	1:0.25
13	Public Open Space	1:0.25
14	Public Service Infrastructure	1:0.25
15	R.E. of Township	1:2.6
16	Religious	0
17	Residential	1:1
18	Sectional Title Business	1:2.6
19	Sectional Title Other	1:1
20	Sectional Title Residential	1:1
21	State	1:1.5
22	Vacant Land	1:4
	Category of ownership	
1	Public Benefit Organisations	1:0.25
1	Penalty tariff	
	Unauthorised use	1:6

- 2 That the rates so levied in terms of Paragraph 1 above shall become due and payable in twelve equal installments on fixed days for twelve consecutive months, these being the due date stipulated in the account sent to the ratepayer. The ratepayer who wants to pay the rates twelve months in advance would be required to make an application. The ratepayer will receive the rebate that would be determined by Council as set in the body of this document.
- 3 That in terms of Section D Paragraph 3(c) of the Council's Property Rates Policy interest is charged on rates not paid on or before the fixed days, at the rate determined by the Council from time to time.
- 4 That the following rates which are proposed to be levied for the financial year 2020/2021 to any owner of rateable property in the following circumstances:

No	Category	Ratio 2020/2021	Rates tariffs for 2020/2021	% Increase
1	Agricultural residential	1:1	0.008129	4.9%
2	Agricultural business	1:2.6	0.021134	4.9%

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

No	Category	Ratio 2020/2021	Rates tariffs for 2020/2021	% Increase
3	Agricultural other	1:1	0.008129	4.9%
4	Residential	1:1	0.008129	4.9%
5	Residential Consent use	1:2	0.016258	4.9%
6	Business and commercial	1:2.6	0.021134	4.9%
7	Sectional Title Business	1:2.6	0.021134	4.9%
8	Sectional Title residential	1:1	0.008129	4.9%
9	Sectional Title other	1:01	0.008129	4.9%
10	Municipal property	0	0.000000	4.9%
11	Farming	1:0.25	0.002032	4.9%
12	Mining land	1:2.6	0.021134	4.9%
13	Vacant Land	1:04	0.032515	4.9%
14	PSI	1:0.25	0	4.9%
15	PSI privately owned	1:0.25	0.002032	4.9%
16	Private open space	1:0.25	0.002032	4.9%
17	Public open space	1:0.25	0.002032	4.9%
18	State	1:1.5	0.012193	4.9%

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

No	Category	Ratio 2020/2021	Rates tariffs for 2020/2021	% Increase
19	Education	1:0.25	0.0020332	4.9%
20	Religious	0	0	4.9%
21	Multipurpose residential	1:1	0.008129	4.9%
22	Multipurpose business	1:2.6	0.021134	4.9%
23	R E of a township	1:2.6	0.021134	4.9%
	Category of ownership			4.9%
1	Public benefit organisation	1:0.25	0.002032	4.9%
	Penalty Tariff			4.9%
1	Unauthorised use	1:6	0.048772	4.9%

5 That in terms of Section 15(1)(b) of the Act read with Sections B of the Council's Property Rates Policy, the Council grants exemptions reductions and rebates as stipulated below.

- (1) Residential property owned and occupied by natural persons have limited income and who are not pensioners and the value of their property does not exceed R500 000 but can show that his or her annual income falls below the limit determined by Council from time to time in terms of the Expanded Social Package: dependent on points rating.
- (2) Residential property owned and occupied by natural persons who are dependent on a State social security grant in terms of the Social Assistance Act 59 of 1992 as their sole source of income: 100% rebate.
- (3) Residential property owned and occupied by pensioners who are not persons contemplated in Paragraph (2), if the total income of the household does not exceed the maximum of R10 230 per month over the previous income tax year: 100% rebate.

FINANCE

- (4) Residential property which is occupied by a household headed by a minor or minors whose parents have pass on while they were owners of the property: 100%.**
- (5) Residential property owned and occupied by pensioner who is seventy years and above whose value of the property complies with the criteria set out above would be exempted from paying rates.**

 - (a) and above whose value of the property complies with the criteria set out below would be exempted from paying rates,**
 - (b) Residential property owned and occupied by pensioners who are not persons contemplated in Paragraph (2), if the total income of the household does exceed the average of R10 230 per month over the previous income tax year but does not exceed the maximum of R17535 per month over the previous income tax year: 50%: Provided that the rebate contemplated in Subparagraphs 5(1) to (3) above shall only be granted where:**
 - (c) The market value of the property as recorded in the prevailing valuation roll does not exceed R2 500 000 and in the case of a pensioner, such pensioner has attained the age of 60 or be 70 years or older; and in the case of dual ownership at least one of the owners has attained the age of 60 years or older; and**
 - (d) The property owner personally occupies the property.**
 - (e) A property owner who is a pensioner and is seventy years and above who live in a property not more than R2 500 000 qualifies for 100% rebate.**
 - (f) A pensioner rebate will be applied to one property per pensioner or pensioner and spouse only.**
- 6 That properties owned by organisations that are registered in terms of the Housing Development Schemes for Retired Persons Act: 50%. (1) Property owned by pensioners in terms of the Housing development Scheme for Retired Persons who are sectionalized and registered in their name would be treated as per Paragraph (2) to (4).**
- 7 That property owned by private sports clubs that are used primarily for sports purposes: 40%.**
- 8 That property declared as heritage sites in terms of Section 27, 28 and 31 of the National Heritage Resources Act 25 of 1999: 20%.**

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- 9 That residential sectional title properties meeting the requirements set by the City for high density can apply for high density rebate and will qualify for: 5%.
- 10 That property registered in the name of an institution or organisation which has as its exclusive objective the protection of animals: 100%
- 11 That property that is vacant but that may not be developed as a direct result of the inability of Council to provide services, subject to the owner to provide written confirmation from the service entity stating that no development to be allowed for the duration of the ensuing financial year, as a result of lack of services: grant 50% rebate of the vacant land tariff.
- 12 That the first R350 000 of the value of all residential property shall be exempted from rating.
- 13 That the first 30% of the value of the public service infrastructure would not be rateable.
- 14 That properties agricultural residential rebate can be applied for by properties that are reflected in the General Valuation Roll categorised as agricultural residential and used for residential purpose: 10%.
- 15 That the properties situated within an area affected by a disaster within of the Disaster Management act 57 of 2002. Property owner must apply to the Property Branch for a rebate. Property Branch may require proof before the rebate is granted. The rebate will be granted for a limited period as prescribed by Council: 100%.
- 16 That properties developed within the identified Trans Oriented Development (Corridors of Freedom) qualifies for:
 - (1) During construction rebate 25% of the rate as per the category of land for period not exceeding two years during construction, and
 - (2) Post construction rebate property owner qualifies for half the rates payable as per the category assigned in the General Valuation Roll for a period not exceeding one year.
- 17 That in terms of Section 14 of the Act read with Sections 17(3)(a)(ii) and 22(a)(i) and (ii) of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21, 21A(1) and (2) of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) as amended, the City of Johannesburg:
 - (1) Display the notice and the documents and notice in the manner prescribed;

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- (2) **Seek to convey to the local community by means of radio broadcasts covering the area of the City, the information contemplated in Section 21A(c) of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) as amended; and**
 - (3) **Publish a notice in the manner prescribed and invite the local community to submit written comments or representations in respect of the City's proposed Property rates tariffs.**
- 18 That in terms of Section 22(b)(i) and (ii) of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) a copy of the notice and documents be sent forthwith to the National and Provincial Treasury; MEC for Local Government and Housing; as well any other organ of state or municipality affected by the budget to solicit their view.**

(FINANCE)

(tc)