



MSUKALIGWA LOCAL MUNICIPALITY

CHARGES FOR PROPERTY RATES 2013/2014 FINANCIAL YEAR

Msukaligwa Local Municipality hereby gives notice in terms of Section 14 (1) of the Municipal Property Rates Act 6 of 2004, that the following rates applicable to all the ratable property in the municipal area of Msukaligwa Local Municipality appearing in the valuation rolls, have been determined by the Council by majority vote under council resolution no: LM370/05/2013 at a Special Council meeting held on 30 May 2013.

1. **DEFINITIONS**

“Act: means the Municipal Property Rates Act, 06 of 2004

“By-Law” means the Rates By-Law promulgated in terms of section 6 of the Act

“Municipality” means the Msukaligwa Local Municipality

2. **THE FOLLOWING DETERMINATIONS SHALL COME INTO EFFECT FROM 1 JULY 2013**

2.1 The general rate shall be 0.7432 cent in the Rand before considering any applicable rate ratios in terms of policy.

2.2 The rate shall be based on the market value of all rateable categories of properties appearing on the general valuation roll and subsequent supplementary valuation rolls of the municipality.

2.3 In terms of section 7.3 to 7.17 of the Rates Policy the following rate ratios have been applied for determination of the cent in Rand for the different categories of properties;

2.3.1 **Rates for business from residential dwellings**

Property categorized as “residential-home business” (RHB) shall be rated as “residential” (RES).

2.3.2 **Rates for accommodation establishments**

The tariff for accommodation establishments (ACC), which includes lodges, guest houses, bed and breakfast establishments, communes and other boarding and lodging establishments, shall be determined by means of a 1:1,25 ratio in relation to residential

property (the first number in the ratio represents residential property). This will exclude hotels and similar establishments which will be rated as business.

2.3.3 [Rates for mining activities](#)

Property used for mining (MIN) purposes shall be rated as if zoned business or industrial.

2.3.4 [Agricultural farms or small holdings](#)

The tariff for the category farm / small holdings used for agricultural/residential purposes (AGR) shall be determined by means of a 1:0,25 ratio in relation to residential property (the first number in the ratio represents residential property).

2.3.5 [Eco-tourism and game farms](#)

The tariff for eco-tourism and game farms / small holdings shall be determined by means of a 1:0,60 ratio in relation to business property (the first number represents business property).

2.3.6 [Other agriculture farms and small holdings](#)

The tariff for farm / small holdings (AGO) used for other purposes than specified shall be determined by means of a 1:0, 25 ratio in relation to residential property (the first number in the ratio represents residential property).

2.3.7 [Rates for farms used for business purposes](#)

Agricultural farms / small holdings (AGB) used for business / commercial / industrial activities shall be rated as if zoned for business, commercial or industrial.

2.3.8 [Rates for properties used in conflict to its zoning \(illegal use\)](#)

Properties used in conflict to its zoning / permitted (ILL), usage shall be rated as if zoned business, commercial or industrial.

2.3.9 [Rates for second dwellings and duets](#)

Property categorized as “Residential - 2nd dwelling” (RSD), “duets not subject to a sectional title scheme” (DUE), “government: residential – 2nd dwelling” (GSD) and “government : duets not subject to a sectional title scheme” (GDU) shall be rated as “residential” (RES).

2.3.10 [Rates for vacant residential properties](#)

The tariff for vacant residential properties (categories RVA and GRV) shall be determined by means if a 1:1, 5 ratios to residential property (the first number in ratio represents residential property).

2.3.12 [Rates for public benefits organizations](#)

The tariff for public benefits organisations (PUB) shall be determined by means of a 1:0,25 ratio in relation to residential property).

2.3.13 Rates for schools

The tariff for schools, including government owned (GOS) / private schools (SCP) and school hostels shall be determined by means of a 1:1,25 ratio in relation to residential property (the first number in the ratio represents residential property).

2.3.14 Rates for privately owned roads / parks / sport grounds

Property categorized as “privately owned roads / parks / sport grounds” (PRP) shall be rated as “residential” (RES), subject to the stipulations of section 17(2)(B) of Act 6 of 2004, where applicable.

2.4 The determination of rates for the different categories of properties before considering any applicable rebates shall be as follows;

- 2.4.1 A cent in the Rand of 0.7432 shall be applicable to a residential property;
- 2.4.2 A cent in the Rand of 1.1147 shall be applicable to a residential property with special consent;
- 2.4.3 A cent in the Rand of 0.1858 shall be applicable to an agricultural property;
- 2.4.4 A cent in the Rand of 1.8579 shall be applicable to a business property;
- 2.4.5 A cent in the Rand of 2.2295 shall be applicable to a government property;
- 2.4.6 A cent in the Rand of 0.1858 shall be applicable to a public service infrastructure property;
- 2.4.7 A cent in the Rand of 0.1858 shall be applicable to a public benefit organization property;
- 2.4.8 A cent in the Rand of 2.2295 shall be applicable to a vacant land;
- 2.4.9 A cent in the Rand of 1.1147 shall be applicable to other property; and
- 2.4.10 A cent in the Rand of 0.7432 shall be applicable to a rural communal and state trust land and
- 2.4.11 A cent in the Rand of 0.1858 shall be applicable to business property within Kruger National Park

3. Rebates, exemptions and reductions

The Council of the municipality may grant exemptions, rebates and reductions in recognition of section 15(2) of the MPRA:

3.1 Rebates

When a specific category of owners of properties or the owners of a specific category of properties qualify for more than one rebate at a given time, each rebate will be calculated on the total levy amount.

3.1.1 Indigent owners

The Council has adopted a free basic services and indigent support policy for the alleviation of the rates burden of the low income sectors of the community within the municipality. Relief provided for owners of property is determined by this policy.

3.1.2 Residential

The Council may grant a reduction in the market value of residential property by reduction of the Council, to be read with section 17(1)(h) of the Act, regarding impermissible rates on the first R15 000,00.

3.1.3 Child headed households

Child headed households may be granted a 100% rebate, subject to the following:

The applicant:

- (a) Must apply annually;
- (b) Must occupy property;
- (c) Must submit proof of the death of both parents;
- (d) Must be younger than 18 years of age;
- (e) Must be evaluated in terms of the indigent policy of council;
- (f) The rebate will lapse upon;
 - (a) The expropriation, sale or disposal of the property;
 - (b) The failure of the applicant to reside permanently on the property;
 - (c) Death of the applicant; and
 - (d) When applicant is older than 18 years.

3.1.4 Pensioners

Pensioners may be granted a further rebate on the residential tariff for property owners subject to the following:

- 3.1.4.1 Application must be submitted annually before the first day of October of each year. Applications received after October of each year will only receive a rebate from the month of application;
- 3.1.4.2 Be registered owner of the property;
- 3.1.4.3 Must reside permanently on the property concerned which consists of one dwelling only and be confirmed by means of a sworn affidavit;
- 3.1.4.4 Must be at least 60 years of age upon application. In case of married couples the age of the eldest will be the qualifying factor;
- 3.1.4.5 The combined income from all sources (including the spouses of the owner) may not exceed R120 000,00 per annum;
- 3.1.4.6 Each application must be occupied with the following certified documents:

- Valid identity documents;
- Proof of income;

3.1.4.7 The rebates to be granted will be based in respect of the combined preceding twelve (12) months average monthly earnings:

<u>Average monthly earnings per month</u>	<u>Rebates</u>
R0 to R 2280,00 (state pension x2)	100%
R2280,01 to R 5000,00	70%
R5000,01 to R 7000,00	50%
R7000,01 to R10000,00	20%

3.1.4.8 The rebate will lapse upon:

3.1.4.8.1 Death of the applicant;

3.1.4.8.2 Alienation of the property;

3.1.4.8.3 When the applicant ceases to reside permanently on the property; and

3.1.4.8.4 The combined income from all sources exceed R8 000,00 per month.

3.1.5 Disability grantees / medically boarded

Disability grantees, medically boarded persons may receive a further rebate on the residential tariff rate for property owners subject to the following:

The Applicant must;

3.1.5.1 Be in possession of a disability card or provide medical proof of disability;

3.1.5.2 Be the registered owner of the property;

3.1.5.3 In the case of direct family member under the care of the property owner;

3.1.5.3.1 Proof that the property owner is financially responsible for the direct family member; and

3.1.5.3.2 proof that the person is being instituted at an institution for the necessary care, treatment or rehabilitation for a period more than six (6) months.

3.1.5.4 Produce a valid identity document;

3.1.5.5 Not be in receipt of an indigent assessment rate rebate;

3.1.5.6 Confirm the aforementioned details by means of a sworn affidavit;

3.1.5.7 Applications must be submitted annually before the first day of October of each year.

Applications received after October of each year will only receive a rebate from the month of application

3.1.5.8 The rebate to be granted will be based in respect of the combined preceding twelve (12) months average monthly earnings:

Average monthly earnings per month	Rebates
R0 to R 2280,00 (state pension x2)	100%
R2280,01 to R 5000,00	70%
R5000,01 to R 7000,00	50%
R7000,01 to R10000,00	20%

3.1.5.9 The rebate will lapse upon:

3.1.5.9.1 Death of the applicant;

3.1.5.9.2 Alienation of the property:

3.1.5.9.3 When the applicant ceases to reside permanently on the property.

3.1.6 Rebates on new rateable property

- 2013/2014 financial year the rate will be payable without any rebate.

3.1.7 Rebates on new private infrastructure developments

A rebate of 85% in the residential rate be allowed for property where a single property become divided into ten (10) or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the transfer for a shorter period until the newly erected units are sold off or improved before expiry of the two (2) year period.

3.2 Exemptions

3.2.2 rateable property registered in the name of a welfare organization in terms of the National Welfare Act, 1978 (Act 100 of 1978).

3.2.3 Rateable property owned by public benefits organisations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

3.2.4 Museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act;

3.2.5 National monuments including ancillary business activities at national monuments as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act;

3.2.6 Rateable property registered in the name of a trustee or trustees or any organisation which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;

- 3.2.7 Sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;
- 3.2.8 Rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organisation which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organisation;
- 3.2.9 Rateable property registered in the name of a declared institution in terms of Cultural Institutions Act, Act 119 of 1998 as amended, promoting the cultural aims as defined in section 6(a) and (b) of the ninth schedule of the Income Tax Act;
- 3.2.10 All properties as specified by specified by section 17(1) of the MPRA as follows:
 - 3.2.10.1 On the first 30% of the market value of public service infrastructure;
 - 3.2.10.2 On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environment Management Biodiversity Act, 2004, which are not developed or used for commercial business, or residential agricultural purposes;
 - 3.2.10.3 On mineral rights within the meaning of paragraph (b) of the definition of “property” in Section 1 of the MPRA;
 - 3.2.10.4 On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds;
 - 3.2.10.5 On the first R15 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality –
- 3.3 For residential purposes including second dwellings and duets not subject to a sectional title scheme;

4. REBATES

- 4.1 No phase in discount will be granted I this financial year for newly rateable properties.
- 5. The property rates are zero-rated from VAT in terms of Value Added Tax Act.
- 6. Interest on property rates in arrears shall be calculated and charged at prime lending rate as determined by the South African Reserve Bank which shall be applicable at 30 June 2013 plus one percent fixed over the twelve months period of the 2013/2014 financial year.