

## **Implementation of Local Government: Municipal Property Rates Act**

The Ekurhuleni Metropolitan Municipality (EMM) has begun the process of valuing properties within its borders, in accordance with the Local Government: Municipal Property Rates Act No. 6 of 2004.

### **What is the MPRA?**

The act obligates all local municipalities to value and rate immovable properties, i.e. land and buildings, within their jurisdiction. Implementation of the act is compulsory from 1 July 2009.

### **The MPRA:**

- Seeks to provide local government with access to a sufficient and buoyant source of revenue;
- Ensures long-term sustainability;
- Enhances the developmental agenda of the municipality;
- Addresses the imbalances caused by unfair past policies;
- Provides for a fairer and more equitable valuation of properties in accordance to their respective true market values.

### **What are municipal property rates?**

Municipal property rates are the financial liabilities that owners/ratepayers of immovable property have to pay to a municipality. It is based on the value of the immovable property.

### **What is property rates revenue used for?**

Municipalities need a reliable source of income in order to provide basic services and perform their functions. Revenue from property rates is used to fund services that benefit the community as a whole. These services include:

- Installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities;
- Building and operating clinics, parks, recreational facilities and cemeteries;
- Funding municipal administration and general costs of governance;
- Fire fighting, environmental protection and disaster management.

### **Preparation of the valuation roll in terms of the MPRA**

1. All data collected/verified during the data collection phase will be captured and analysed
2. Through a process of research and market analysis, valuers will assess and verify the value of each property, based on market value (the price that would be achieved between willing buyer and willing seller);
3. Having completed and verified the valuations, a Valuation Roll will be certified and handed to the City Manager;
4. The publication of the Valuation Roll will be advertised for a period of time during which the public may submit objections to the municipality, in the prescribed format;
5. Following this stage, objections will be administered and dealt with by the municipal valuer;
6. Thereafter, the Valuations Roll will be finalised and the new rates applied.

*The valuer does not determine the property rates tariff, the Municipality does. Therefore, the valuer will not be in a position to determine what the tariff will be nor will he be able to answer any query in relation to the monthly property rates.*

A call centre was established to assist ratepayers during office hours with related queries. It can be reached at **016-950 5324**