

ITEM A2195

**DETERMINATION OF ASSESSMENT RATES LEVIES FOR THE 2010/2011
FINANCIAL YEAR
(EXTENDED FINANCE 19-05-2010) (MC 25-05-2010)**

1. In terms of Sections 2, 7, 8 and 14 of the Local Government: Municipal Property Rates Act, Act No. 6 of 2004, as amended, read together with Sections 4(1)(c)(ii), 11(3)(i) and 75A of the Local Government: Municipal Systems Act, Act No. 32 of 2000, as amended, the following rates in the rand be levied for the financial year 1 July 2010 to 30 June 2011, on the market value of property or on the market value of a right in property within the area of jurisdiction of the Emfuleni Local Municipality as appearing in the valuation roll, in respect of various categories of properties:
 - 1.1 The cent-in-the-rand to be levied on residential properties as defined in the Rates Policy for 2010/2011 and to take effect on 1 July 2010 is R0,0070 (All other rates levied will be in relation to the rate ratio of the residential rate as shown in point 1.2);
 - 1.2 Rate ratio between the residential and non-residential categories of properties to take effect 1 July 2010:

Reference no	Category	Rate ratio	Rate levy (Cent in the Rand)
1.	Residential properties.	1:1	R0.0070
2.	Residential properties not used for any purpose.	1:2	R0.0140
3.	Business and commercial properties.	1:2	R0.0140
4.	Business and commercial properties not used for any purpose.	1:3	R0.0210
5.	Industrial properties.	1:2.5	R0.0175
6.	Industrial properties not used for any purpose.	1:3.5	R0.0245
7.	Farm properties used for agricultural purpose.	1:0.25	R0.0018
8.	Farm properties not used for any purpose.	1:3	R0.0210

Reference no	Category	Rate ratio	Rate levy (Cent in the Rand)
9.	Farm properties used for business and commercial purpose.	1:2	R0.0140
10	Farm properties used for industrial purpose.	1:2.5	R0.0245
11.	Farm properties used for residential purpose.	1:1	R0.0070
12.	Small holdings used for agricultural purpose.	1:0.25	R0.0018
13.	Small holdings not used for any purpose.	1:3	R0.0210
14.	Small holdings used for business and commercial purpose.	1:2	R0.0140
15.	Small holdings used for industrial purpose.	1:2.5	R0.0175
16.	Small holdings used for residential purpose.	1:1	R0.0070
17.	State-owned properties	1:2	R0.0140
18.	State-owned properties not used for any purpose.	1:3	R0.0210
19.	Protected areas	Exempt as per Act	
20.	Municipal properties.	1:2	R0.0140
21.	Public Service Infrastructure.	1:0.25	R0.0018
22.	Properties owned by Public benefit Organisations [Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962).	1:0.25	R0.0018
23.	Servitudes.	1:0.25	R0.0018
24.	National monuments.	Excluded	R0.00

Reference no	Category	Rate ratio	Rate levy (Cent in the Rand)
25.	Township title properties	Applicable levy for determined use.	
26.	State trust land.	1:0.25	R0.0018
27.	Communal land.	Exempt as per Act.	
28.	Exclusive use area.	Per category of use.	
29.	Multipurpose property.	Per category of use.	
30.	Place of worship and or vicarage.	Exempt as per Act.	

2. rates to be levied shall become due and payable in twelve equal installments on fixed days for twelve consecutive months, being on or before the 7th day of every month, following the month in which it has been levied or the due date as per municipal statement, whichever is the earlier;
3. the following categories of property usage and/or property owners as defined in Section 10 of the Municipal Property Rates Policy qualifies for exemptions, rebates and reductions:

3.1 Exemptions

The following categories of property are exempted from rates:-

- (a) The following types of property owned by or vested in the Council are exempt from rates:
 - (i) Public service infrastructure owned by the Council or a service provider, including Public service infrastructure vested in the Council.
 - (ii) Refuse tip sites;
 - (iii) Municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria;
 - (iv) Property used for the provision of public parks and zoned as Public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space;
 - (v) Property used for cultural, sporting and Re-creational facilities other than property subject to a registered lease and
 - (vi) Municipal housing schemes

(b) Properties used for residential purposes

The first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the Municipality.

3.2 Rebates

In terms of section 15 of the Local Government: Municipal Property Rates Act, No. 6 of 2004 the following rebates are granted:

(a) Residential properties

All developed properties used for residential purposes:

Municipal Value	% Rate rebate
R0 to R15000	Exclusion [Section 17(h) of the Act].
R15 001 to R150 000	100%
R150 001 to R1000 000	30%
R1000 001 to R2000 000	20%
R2000 001 and more	10%

(b) All residential properties categorized not used for any purposes:

Municipal Value	% Rebate on rate
R0 up to R40 000	100%

(c) All state owned properties (excluding properties falling in the category for Public Benefit Organization properties) as defined in the Rates Policy, qualify for a 20% rate rebate.

(d) Rebates to pensioners, disabled and/or medically unfit as well as poor households:

A percentage rate rebate based on the gross monthly income may be granted in addition to the rebates mention in (a) above to registered owners of residential properties who qualify according to the gross monthly household income of all persons normally residing on that property.

To qualify for the rebate a property owner must:

1. Be a natural person;
2. Be the registered owner of the property;
3. Occupy the property as his her normal residence on a full time basis;
4. Complete a prescribed application form obtainable from the Municipality.

The following shall also apply:

1. If the residence is vacated or the applicant passes away or an applicant reaches the age of 60 during the year, remission shall be calculated pro rate as from such date;

2. Submission of the following documentation as proof:
 - Copy of Identification document;
 - Pension card;
 - Bank statements for last three months or other official financial proof of income as may be requested and
 - Payslip for the last three months;
3. Additional rebates are only applicable to applicants whose municipal accounts are paid in up to date;
4. Medical unfit persons who have not been declared unfit by a pension fund must submit the necessary proof that they have been declared unfit together with supporting evidence from two registered medical physician;
5. Disabled persons who have not been declared disabled must submit the necessary proof that they have been declared unfit together with supporting evidence from two registered medical physicians;
6. Applicants who on date of application meet all the criteria may receive the rebate from date of receipt of the application;
7. The rebate will be valid until the end of the Municipal financial year, and applications must be submitted annually;
8. If applicant owns other properties for which a market related rental is obtained the rental will form part of the gross monthly household income;
9. If the permitted use of a property in this category changes during a financial year, any rebate is forfeited from the date of approval by the Council of such change;
10. Pensioners must be 60 years and older;
11. Additional rebates be suspended if the applicant does not comply with point 1 to 10 mentioned above and
12. The gross monthly household income levels and rebates are set out in the table hereunder:

Gross monthly household income	% Rate rebate
R0.00 to Indigent threshold	100%
Indigent threshold to R3800	80%
R3801 to R4350	60%
R4351 to R4850	40%
R4851 to R5400	20%
R5401 to R7300	10%

(e) Development incentives of properties

The following will apply:

1. A 50% rate rebate will be applicable to all applications for development on date of approval of the standard application form if the following criteria are met:-

1.1 All applicants must complete a standard application form obtainable from the Municipality and must declare under oath that:

(a) Building plans have already been submitted to the Municipality for approval but due to a delay on the side of the Municipality the plans are not yet approved; or

(b) Building plans have been approved by the Municipality and construction has already started; or

(c) Building plans were submitted but development is not possible due to:

Municipal services not available to commence with development (Water, electricity and sanitation, etc);

– Delays on the side of the Municipality in respect of the processing of for example re-zoning, township applications, etc.

1.2 Rebates will only be applicable:

(i) From the date the standard application is approved;

(ii) For a 12 months period where after the applicant must re-apply;

1.3 In the event that the property is sold prior to completion of development the new owner must inform the Municipality and re-apply accordingly;

1.4 The Municipality reserves the right to refuse or reverse any rebate if the details submitted in the application are incomplete, incorrect, or false.

1.5 Unregistered erven (Township title properties) shall not be rateable until first registration takes place or the certificate of registered title has been issued by the Deeds Office.

(f) All application for indigency will be dealt with in accordance to Council's approved indigent policy.

(g) Municipal properties rateable:

The following types of property owned by or vested in the Council are subject to 50% rate rebate on rates levied:

- (1) Residential property registered in the name of the municipality and leased by the Municipality in terms of a lease agreement at the discretion of the Municipality.
 - (2) Residential properties that were sold by the municipality and of which possession is given to the buyer pending registration of ownership in the name of the buyer.
 - (3) All residential rateable property in the Municipalities Area of jurisdiction registered in the name of the District municipality.
4. rates levies be published and communicated as set out in section 75(A) (3) of the Local Government: Municipal Systems Act, Act No. 32 of 2000, as amended as well as in terms of section 14 (3) of the Local Government: Municipal Property Rates Act, Act No. 6 of 2004 and
 5. all Councillors informs the community within their respective Wards through the applicable administrative channels of what the implication of the rate ratios and rates levies with effect from 1 July 2010 will be.