



**DIPALESENG LOCAL MUNICIPALITY**

**PROPERTY RATES POLICY & BY-LAWS**

**2026/2027**

## **PART ONE: PREAMBLE**

### **Whereas:**

- 1.1 It is enshrined in Section 229 of the Constitution (Act 108 Of 1996) that a municipality may impose rates on property within a regulatory framework.
- 1.2 The Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
  - 1.2.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
  - 1.2.2 Criteria for determination of categories of properties and differential rates for each category of properties;
  - 1.2.3 Criteria to be applied for granting rates relief measures;
  - 1.2.4 Levying of rates in sectional title schemes;
  - 1.2.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).
- 1.3 In terms of section 4(1)(c)(ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with section 2 of the said Local Government Municipal Property Rates Act, the municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property. In terms of section 4(2) of the Local Government: Municipal Systems Act, 2000 (32 of 2000), council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to-
  - (a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
  - (b) Provide, without favour or prejudice, democratic and accountable government;
  - (c) Encourage the involvement of the local community;
  - (d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
  - (e) Consult the local community about-

- (i) The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
    - (ii) The available options for service delivery.
  - (f) Give members of the local community equitable access to the municipal services to which they are entitled;
  - (g) Promote and undertake development in the municipality;
  - (h) Promote gender equity in the exercise of the municipality's executive and legislative authority;
  - (i) Promote a safe and healthy environment in the municipality;
  - (j) Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution; and
- 1.4 Further, a municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.
- 1.5 In terms of section 62 of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.

## ARRANGEMENT OF THIS POLICY

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## PART TWO: DEFINITIONS

All words and phrases in this Rates Policy shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act to be mutatis mutandis applied in this by-law:

Unless the context indicates otherwise:

<b>Act</b>	Means the Local Government: Municipal Property Rates Act (Act 6 of 2004).
<b>Child Headed Household</b>	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007.
<b>Actual Use</b>	Means actual activities that are taking place on the property.
<b>Accommodation establishments</b>	The accommodation establishments (ACC), which includes lodges, guest houses, bed and breakfast establishments, communes and other boarding and lodging establishments,
<b>Agent</b>	<p>In relation to the owner of a property, means a person appointed by the owner of the property:</p> <ul style="list-style-type: none"><li>(a) to receive rental or other payments in respect of the property on behalf of the owner; or</li><li>(b) To make payments in respect of the property on behalf of the owner.</li></ul>
<b>Agricultural purposes</b>	<p>means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion therefore that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting game.</p> <p>In relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.</p>
<b>Annually</b>	Means once every financial year.

<b>Business Property</b>	means commercial or business property (also called investment or income property) and refers to buildings or land intended to generate a profit, either from capital gain or rental income. Business property includes, but is not limited to, office buildings, medical centres, hotels, malls, retail stores, hunting and game farms as well as fillings stations.
<b>Category</b>	<p>(a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and</p> <p>(b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;</p>
<b>Community services</b>	Means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates;
<b>Date of valuation</b>	Means the date determined by the Municipality in terms section 31(1);
<b>Disabled people</b>	Means a person who qualifies to receive relief in terms of the Social Services Act. 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioner;
<b>Disaster</b>	Means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic condition.
<b>Effective date</b>	<p>(a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or</p> <p>(b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2) (b) of the Act.</p>
<b>Exclusion</b>	In relation to a municipality's rating power, means a

restriction of that power as provided for in Section 17 of the Act.

**Exemption**

In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.

**Financial year**

Means the period starting from 1 July in each year to 30 June the following year.

**Income Tax Act**

Means the Income Tax Act, 1962 (Act No. 58 of 1962)

**Indigent household**

Means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;

**Industrial properties'**

means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved.

**Illegal use**

Where any person uses land or buildings or causes it to be used in conflict with the provisions of the town planning scheme in operation.

**Land reform beneficiary**

In relation to a property, means a person who:

(a) acquired the property through:

- (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
- (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);

- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

**Land Tenure right**

Means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004.

**Local community**

In relation to a municipality:

- (a) means that body of persons comprising:
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (iii) any civic organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality , make use of services or facilities provided by the municipality; and
- (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.

**Local Municipality**

Means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality. Establish in terms of section 12 of the Municipal Structures Act No. 117 of 1998.

**Market Value**

In relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

**Mining Property**

Means a property used for mining operations as defined in



the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002)

**Multiple Purpose**

refers to property where there is a combination of different categories of property on the same registered property and where the market value of each is apportioned on the valuation roll;

**Municipal Finance Management Act**

Means the Local Government: Municipal Finance Management Act No. 56 of 2003;

**Municipal Manager**

Means a person appointed in terms of Section 82 of the Municipal Structures Act;

**Newly rateable property**

Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) A property identified by the Minister by notice in the Gazette where the phasing in of a rate is not justified.

**Non-profit organization**

Means any organization which is registered in terms of the Non- profit Organizations Act.

**Occupier**

In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**Owner**

- (a) In relation to a property referred to in paragraph (a) of the definition of property, means a person in whose name ownership of the property is registered in a register;
- (b) In relation to a right referred to in paragraph (b) of the definition of property, means a person in whose name the right is registered;
- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of property , means a

person in whose name the right is registered or to whom it was granted in terms of legislation; or

- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of property, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
- (i) A trustee, in the case of a property in a trust excluding state trust land;
  - (ii) An executor or administrator, in the case of a property in a deceased estate;
  - (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
  - (iv) A Judicial manager, in the case of a property in the estate of a person under judicial management:
  - (v) A curator, in the case of a property in the estate of a person under curatorship;
  - (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitudes; or
  - (vii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
  - (viii) A lessee in the case of property that is registered in the name of the municipality and is leased by it.

**Permitted use**

In relation to a property, means the limited purposes for which the property may be used in

terms of:

- a) any restrictions imposed by:
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
- b) any legislation applicable to any specific property or properties; or
- c) any alleviation of any such restrictions;

**Person** Means natural and legal person including an organ of state.

**Places of Public Worship** Means a property registered in the name of and used primarily as a place of 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 the services at that place of worship

**Prescribe** Means prescribe by regulation in terms of section 83 of the Act

**Privately owned township** Means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub – divisions or township establishment units (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township.

**Property** Means:

- a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or

	d) public service infrastructure;
<b>Property Register</b>	Means a register of properties referred to in Section 23 of the Act.
<b>Protected area</b>	Means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.
<b>Protected Areas Act</b>	Means the National Environmental Management: Protected Areas Act, 2003
<b>Publicly controlled</b>	Means owned by or otherwise under the control of an organ of state, including: <ul style="list-style-type: none"> <li>a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);</li> <li>b) A municipality; or</li> <li>c) A municipal entity as defined in the Municipal Systems Act</li> </ul>
<b>Public Benefit Organization Property</b>	<p>a non- profit company as defined in section 1 of the Companies Act, or a trust or an association of persons that has been incorporated, formed, or established in the Republic; or</p> <p>any branch within the Republic of any company, association or trust incorporated, formed, or established in any country other than the Republic that is exempt from tax on income in that other country;</p> <p>of which the sole or principal object is carrying on one or more public benefit activities, where-</p> <p>all such activities are carried on in a non-profit manner and with an altruistic or philanthropic intent;</p>
<b>Public Service Purposes</b>	<p>In relation to the use of a property, means property owned and used by an organ of state as:</p> <ul style="list-style-type: none"> <li>(a) hospitals or clinics;</li> <li>(b) schools, pre-schools, early childhood development centers or further education and training colleges;</li> </ul>

(c) national and provincial libraries and archives;

(d) police stations;

(e) correctional facilities; or

**Public Service Infrastructure**

Means publicly controlled infrastructure of the following kinds:

- a) National, provincial or other public roads on which goods , services or labour move across a municipal boundary;
- b) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- c) Power stations, power substations or power lines forming part of an electricity scheme serving the public.
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- e) railway lines forming part of a national railway system;
- f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- g) Runways or apron at national or provincial airports;
- h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and

efficient navigation of vessels;

- i) Any other publicly controlled infrastructure as may be prescribed; or
- j) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a ) and

In relation to the use of a property, means property owned and used by an organ of state as:

**Public service infrastructure purpose**

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centers or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,

Means publicly controlled infrastructure of the following kinds:

- k) National, provincial or other public roads on which goods , services or labour move across a municipal boundary;
- l) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- m) Power stations, power substations or power lines forming part of an electricity scheme serving the public.
- n) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- o) railway lines forming part of a national railway system;
- p) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- q) Runways or apron at national or provincial airports;

r) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

s) Any other publicly controlled infrastructure as may be prescribed; or

t) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a ) and

in relation to the use of a property,

means property owned and used by an organ of state as-

(a) Hospitals and clinics;

(b) schools, pre-schools, early childhood development centres or further education and training colleges;

(c) national and provincial libraries and archives;

(d) police stations;

(e) correctional facilities; or

(f) courts of law, but excludes property contemplated in the definition of "public service infrastructure

**Rate**

Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

**Ratable property**

Means a property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act.

**Rebate**

In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

**Reduction**

In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of that

	property at the lower amount.
<b>Register</b>	<p>a) means to record in a register in terms of –</p> <ul style="list-style-type: none"> <li>(i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or</li> <li>(ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and</li> </ul> <p>b) Includes any other formal act in terms of any other legislation to record :</p> <ul style="list-style-type: none"> <li>(i) a right to use land for or in connection with mining purposes; or</li> <li>(ii) a land tenure right;</li> </ul>
<b>Residential property</b>	Means a property included in a valuation roll in terms of Section 48 (2) (b) of the Act as residential.
<b>Residential Property with special consent</b>	Means improved property that is granted additional rights and consent use other than residential in terms of the Town Planning Scheme
<b>Sectional Titles Act</b>	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
<b>Sectional Title Scheme</b>	A scheme defined in Section 1 of the Sectional Titles Act;
<b>Smallholding</b>	Means a property recorded in the Deeds Registry Database as being an Erf and zoned for Agricultural usage in terms of an adopted Town Planning Scheme.
<b>Sectional title unit</b>	A unit defined in Section 1 of the Sectional Titles Act;
<b>Small, very small and micro business</b>	Means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;
<b>Special rating area</b>	Means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;
<b>Specified public benefit activity</b>	An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of



Part 1 of the Ninth Schedule to the Income Tax Act.

**State Trust Land**

Means land owned by the state:

- a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- b) over which land tenure rights were registered or granted; or
- c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)

**The Municipality**

Means the Dipaleseng Local Municipality;

**Value of property**

Means the market value of the property as determined in terms of the Act;

**Vacant Land**

Means land, irrespective of zoning or category and in respect of which the municipality has not issued an occupancy certificate, being unimproved urban land.

**PART THREE: THE PURPOSE OF THIS POLICY**

- 3. The purpose of this policy is to:
  - 3.1 Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 thereof;
  - 3.2 Give effect to the principles outlined hereunder;
  - 3.3 Ensure the equitable treatment of persons liable for rates;
  - 3.4 Determine the methodology and to prescribe procedures for the implementation of the Act;
  - 3.5 Determine criteria to be applied for the levying of differential rates for different categories of properties;
  - 3.6 Determine or provide criteria for the determination of categories of properties and categories of owners of properties;
  - 3.7 Determine criteria to be applied for granting exemptions, rebates and reductions;
  - 3.8 Determine how the municipality's powers must be exercised in relation to multiple use properties;
  - 3.9 Determine measures to promote local economic and social development; and
  - 3.10 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

**PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS RATES POLICY**

- 4. The principles of the rates Policy are to ensure that:
  - 4.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;
  - 4.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;

- 4.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
  - 4.3.1 Profits generated on trading and economic services; and
  - 4.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 4.4 Property rates will not be used to subsidize trading and economic services;
- 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 4.6 This rates Policy and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

## **PART FIVE: APPLICATION OF THIS RATES POLICY**

### **5.1 IMPOSITION OF RATES**

- 5.1.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include a property on which the municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.
- 5.1.2 The council pledges itself to limit the annual increase if financially viable of the rate in the rand in accordance with the National Treasury guidelines and/or the approved integrated development priorities.

## **PART SIX: EQUITABLE TREATMENT OF RATEPAYERS**

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act.
- 6.2 Any differentiation in the levying of rates must not constitute unfair discrimination.
- 6.3 The municipality will not split a municipal account because of multiple owners and will hold the owners jointly and severally liable for payment.

## **PART SEVEN: DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES**

- 7. It is recorded that the Municipality has adopted the following resolutions:
  - 7.1 To levy rates on all rateable property in its area of jurisdiction;
  - 7.2 To determine the date of implementation as being 01st July 2025;
  - 7.3 To determine the 02<sup>nd</sup> of July 2025 as the valuations date to be date of the next general valuation;
  - 7.4 To levy different cents in the rand for different categories of rateable property;
  - 7.5 That the categories of properties for the purpose of differential rating are those specified in this rates policy and By-Law document;
  - 7.6 That the criteria for the categorization in terms of section 8(1) of the Act shall be actual use where a property is improved and vacant land shall be categorized according to the permitted use of the property. In case of a property used for multiple-purposes the categories shall be determined according to the actual uses of the property;
  - 7.7 To rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market related value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
  - 7.8 To not rate properties of which the municipality is the owner, except where leased to a third party.

## **PART EIGHT: CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES**

8.1 For the purposes of differential rates, the following categories of ratable property have been determined, being:

### **8.1.1 Residential Property**

Means improved property that:

- (a) Is used for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used for residential purposes; or
- (c) Is owned by a Share block company and used solely for residential purposes
- (d) For the purpose of this rates policy, the following are excluded :
  - Hotels
  - Communes
  - Boarding and lodging undertakings
  - Guesthouses
  - Residential units used for timeshare and holiday letting

### **8.1.2 Business and Commercial Property**

Means property that is used for business, commercial and industrial purposes.

### **8.1.3 Agricultural Property**

Means a property used for bona fide agricultural purposes in which the property owner deriving his principal source of income from the produce of the land on such property. Agricultural/farming property not used for bona fide agricultural/farming purposes shall be rated according to the actual use thereof.

#### **Property owned by an organ of state and used for Public Service Purposes (PSP)**

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

### **8.1.4 Public Service Infrastructure**

Means a property as defined by the Act.

### **8.1.5 Public Benefit Organization Property**

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

### **8.1.6 Municipal property**

In relation to property shall mean those properties owned & exclusively used by the municipality;

### **8.1.7 Places of Public Worship**

means a property registered in the name of and used primarily as a place of 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 the services at that place of worship;

**8.1.8 Properties used in conflict to its zoning (illegal use)**

Means any use that is inconsistent with or in contravention of the permitted use of the property. Properties used in conflict to its zoning / permitted (ILL), usage shall be rated by means of a 1:3 ratios in relation to residential property

**8.1.9 Mining**

Means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002)

**8.2 The following principles and section 8.4 above shall be applied for the determination of the cents in the rand;**

- 8.2.1 The activities that take place on business, commercial, industrial and government properties have been identified as the cost drivers for community services;
- 8.2.2 The rate ratio between residential and the properties mentioned in 8.5.1 above shall be **1:2.5** to business and industrial;
- 8.2.3 The rate ratio between residential and public service purposes shall be **1:2.5**
- 8.2.4 The rate ratio between residential and public road and Private road shall be **1:2.5**
- 8.2.5 The rate ratio between residential and properties categorised as other shall be **1:1.5**;
- 8.2.6 The rate ratio between residential and agricultural property shall be **1:0.25** as prescribed by the Act;
- 8.2.7 The rate ratio between residential and public service infrastructure property shall be **1:0.25** as prescribed by the Act;
- 8.2.8 The rate ratio between residential and public benefit organization property shall be **1:0.25** as prescribed by the Act; and
- 8.2.9 The rates ratio between the residential and rates for properties used for accommodation establishment mentioned in 8.1.13 above shall be **1:1.5**
- 8.2.10 The rates ratio between the residential and rates for properties used for mining mentioned in 8.1.13 above shall be **1:1.5**
- 8.2.11 The rates ratio between the residential and rates for properties used for place of worship mentioned in 8.1.10 above shall be **1:0**
- 8.2.12 The rates ratio between the residential and rates for properties used for vacant land shall be **1:2**

**PART NINE: RELIEF MEASURES FOR PROPERTY OWNERS**

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:
  - 9.2.1 A specified category of properties; or
  - 9.2.2 A specified category of owners of property as provided for hereunder.

- 9.3 The municipality will not grant relief to the owners of property:
- 9.3.1 On an individual basis.
- 9.3.2 If the account is in arrears on the date of application.
- 9.4 The relief measures shall be granted as follows;
- 9.4.1 Category of specific owners

**Part A: Rebates**

<b>(a) Indigent household</b>	
<b>Criteria</b>	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
<b>(b) Retired people</b>	
<b>Criteria</b>	<ul style="list-style-type: none"> <li>• Make application in writing in a prescribed form;</li> <li>• Own and permanently reside on the property;</li> <li>• Not own more than one property;</li> <li>• Be at least 60 years of age;</li> </ul>
<b>Rebate</b>	A sliding scale rebate system on property rates account shall be determined by the municipal council on annual basis during the budget process.
<b>(c) Owner of emerging lodges</b>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• Make application in writing in a prescribed form;</li> <li>• Own and utilise the property solely for a lodge;</li> <li>• Proof of business license issued by the municipality;</li> <li>• Proof of registration with the South African Grading Council; and</li> <li>• Be in a position to submit audited annual financial statements.</li> </ul>
<b>Rebate</b>	Additional rebates on property rates shall be determined by the municipal council on an annual basis during the budget process.
<b>(d) Owner of a property in estates/ complexes</b>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• Make an application in writing in a prescribed form;</li> <li>• The cost of rendering and maintaining of internal community services should incurred by residents or Home owners Associations</li> <li>• The property owner's account should be up to date.</li> </ul>
<b>Rebate</b>	<ul style="list-style-type: none"> <li>• A rebate on property rates account for owner of a property situated in unproclaimed area shall be determined by council on an annual basis during the budget process; and</li> <li>• A rebate on property rates account for owner of a property situated in proclaimed area where the municipality does not provide maintenance of the internal community services shall be determined by council on an annual basis during the budget process;</li> </ul>
<b>(e) Owner of properties in townships establishment (Private township developers/ Township owners)</b>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• Make an application in writing in a prescribed form;</li> <li>• Provide Service Level Agreement entered into with the municipality;</li> <li>• The full cost of infrastructural development of the township should be incurred by the owner(s);</li> <li>• The property owner's account should be up to date.</li> </ul>
<b>Rebate</b>	<ul style="list-style-type: none"> <li>• 100% rebates shall be granted as from proclamation date of the township and shall not exceed a period of twelve months;</li> </ul>

	<ul style="list-style-type: none"> <li>• Thereafter, a rebate of 75% year 1, 50% year 2 and 25% year 3 shall apply and/or terminated when a transfer to the third party takes place, whichever comes first.</li> <li>• Developers with existing Services agreement for Township development will be required to apply yearly for rebate and the application will be considered by a <b>Property Rates Committee</b>, consisting of the Accounting Officer and Chief Financial Officer or their nominees.</li> </ul>
<b>(f) Owner of a property in a formalized township within rural communal land</b>	
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<b>(g) Owners of properties within the Dipaleseng Local Municipality</b>	
	<ul style="list-style-type: none"> <li>• Property shall be used for any purposes other than nature reserves and national environmental management.</li> </ul>
<b>Rebate</b>	The rebates shall be determined by the municipal council on an annual basis during the budget process.
<b>(h) Owner of a smallholding property categorised as a residential property</b>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• The municipality should not be providing any of the community services</li> </ul>
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.

<b>(i) Properties Owned by Public Benefit Organisations, which includes;</b>	
<ul style="list-style-type: none"> <li>• Properties used for any specified public benefit activity listed in item 1 (Welfare and Humanitarian), item 2 (Health care), and item 4 (Education and Development) of part 1 of the Ninth Schedule to the Income Tax Act.</li> <li>• Any other properties that Council may deem to be owned and exclusively used for public benefit activities for the purpose of rebates.</li> </ul>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• Make an application in writing in a prescribed form;</li> <li>• Provide proof of ownership of the property and registration as a Non-Profit Organisation in terms of the Income Tax Act or registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9<sup>th</sup> Schedule;</li> <li>• Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the organisation;</li> <li>• that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and</li> <li>• Be in a position to submit audited annual financial statements.</li> </ul>
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.

#### 9.4.2 Category of specific properties

##### Part A: Rebates

<b>(a) Agricultural Properties</b>	
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>• Make an application in writing in a prescribed form;</li> <li>• Proof of registration as a bona fide farmer from South African Revenue Services or if not taxed as a farmer provide proof that</li> </ul>

	<p>income generated in excess of 40% is derived from farming activities;</p> <ul style="list-style-type: none"> <li>• The property must be predominately utilised for bona fide farming purposes;</li> <li>• The application should clearly motivate how the farm contributes in terms of: <ul style="list-style-type: none"> <li>- local economy;</li> <li>- provision of permanent residence or decent accommodation to the farm workers and their dependants;</li> <li>- provision of portable water and electricity to the dwellings of farm workers; and</li> <li>- provision of land for cemetery or educational or recreational purposes to the farm workers, children as well as for people from surrounding farms.</li> </ul> </li> </ul>
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
<b>(b) State Trust and Rural Communal Property</b>	
<b>Rebate</b>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<b>(c) Affordability rebates – the rebate is unconditionally granted to assist the property owners to leverage the rates burden because of the current economic conditions.</b>	
<ul style="list-style-type: none"> <li>• Business, Commercial and Industrial Property</li> </ul>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<ul style="list-style-type: none"> <li>• Government Property</li> </ul>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<ul style="list-style-type: none"> <li>• Mining Property</li> </ul>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<ul style="list-style-type: none"> <li>• Residential Property</li> </ul>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<ul style="list-style-type: none"> <li>• Other Property</li> </ul>	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
<b>(d) Public Benefit Organization with no source of income (Depending on Donations/ Grants)</b>	May be granted up to 100% rebates subject to an application and approval by the Chief Financial Officer; and application shall be done on a prescribe form obtainable from the Municipal Offices.

## **Part B – Exemptions**

(a) Residential Property	<ul style="list-style-type: none"> <li>• The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of section 17(1)(h) of the Act.</li> </ul>
(b) Public Services Infrastructure Property	<ul style="list-style-type: none"> <li>• The first 30% of the market value of the property is exempted from levying of rates in terms of section 17(1)(a) of the Act.</li> </ul>
(c) Municipal Property	The property shall be 100% exempted from levying of rates
(d) Places of Worship, and properties registered in the name of Non Governmental	The property shall be 100% exempted from levying of rates.

Organisations (NGOs) and Non Profit Organisations (NPOs)	
(e) Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act	The properties shall be 100% exempted from levying of rates

### **Part C: Reductions**

<b>(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions</b>	
<b>Qualification criteria</b>	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by:
	(a) A disaster within the meaning of the Disaster Management Act (57 of 2002); or
	(b) Any other serious adverse social or economic conditions as may be defined and determined by the Council.
<b>Reduction Granted</b>	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p> <p>Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may be lodged for the new financial year</p>

## **PART TEN: MULTIPLE PURPOSE PROPERTIES**

- 10.1 The municipality shall determine a method of assessing the value of multi-purpose properties applying the following;
- 10.1.1 The valuation for all other multiple-purpose properties will be assessed according to the actual uses of the property according to value.
- 10.2 With regard to the Rural Communal property;
- 10.2.1 It shall be considered as a multiple use property as a whole;
- 10.2.2 That identifiable and rateable entities within the property (such as commercial leases and commercial and institutional in possession of permission to occupy) be identified, valued and rated individually, with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 10.2.3 That the residual portion of the land be considered as the 'Residual' portion of the land for valuation, rating and rebate purposes and be exempted from the payment of rates as stipulated in section 9.4.2, Part B, subsection (c).

## **PART ELEVEN: COMMUNITY PARTICIPATION**

- 11 The municipality has conducted public participation and consultation processes in accordance with Chapter 4 of the Municipal Systems Act No. 32 of 2000 and Chapter 2 of this Act.

## **PART TWELVE: RECOVERY AND PAYMENT OF RATES**



- 12.1 An owner of a rateable property shall be liable for a property rates account;
- 12.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments;
- 12.3 Owners of rateable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis;
- 12.4 If a person has not received a written account, that person must take the necessary inquiries from the municipality.
- 12.5 Payment of property rates with a single amount on or before 31 December of each year, shall be allowed on condition that;
- 12.4.1 The owner applies to the municipality in writing on a prescribed form for such deferment of the payment of the property rates account;
- 12.4.2 The owner has more than ten (10) property rates accounts with the municipality;
- 12.2.3 The application reaches the municipality before 30 June of each year; and
- 12.6 Interest on overdue property rates accounts shall not be levied until 31 December of each year in case of payment of property rates with a single amount for twelve months;
- 12.7 Rates in arrears shall be recovered from tenants and occupants of a property if the owner fails to pay the property rates account.
- 12.8 The Credit Control and Debt Collection By-Law shall apply in cases where the property rates accounts are in arrears.
- 12.9 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-Law.
- 12.10 Interest on property rates in arrears shall be calculated and charged at prime rate which shall be applicable at 30 June plus one percent fixed over the twelve months period of the financial year.

#### **PART THIRTEEN: DISCLAIMER**

- 13.1 Any rate to be levied on rateable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.
- 13.2 Where a ratepayer believes that the Council has failed to properly apply this policy he/she should raise the matter with the Municipal Manager within that **financial year**.

#### **PART FOURTEEN: REVIEW OF THIS RATES POLICY**

- 14.1 The Rates Policy shall be reviewed on an annual basis with the budget process to ensure that it complies with the Municipality's strategic objectives, with applicable legislation and regulations.
- 14.2 The reviewed policy will be approved with the adoption of the annual budget for the applicable financial year in terms of section 16(2) of the MFMA

#### **PART FIFTEEN: SHORT TITLE**

15. This policy shall be known as Dipaleseng Property Rates Policy.

#### **PART SIXTEEN: IMPLEMENTATION OF THIS RATES POLICY**

## 16. EFFECTIVE DATE

This policy comes in effect on date of approval.

Implementation Date	Council Resolution no.	Adopted Date
1 July 2026		

DRAFT