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## LOCAL AUTHORITY NOTICES

### LOCAL AUTHORITY NOTICE 127

#### DITSOBOTLA LOCAL MUNICIPALITY

Notice is hereby given in terms of Section 13 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with Section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) that Council adopted the Property Rates By-laws as set out hereunder.

Notice 3/2011

**T G LETLHOGILE**  
**MUNICIPAL MANAGER**

#### DITSOBOTLA LOCAL MUNICIPALITY

#### PROPERTY RATES BY-LAW

**FORMULATED IN TERMS OF SECTION 3 OF THE MUNICIPAL PROPERTY RATES ACT, 2004  
(ACT 6 OF 2004)**

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#### PROPERTY RATES BY-LAW

##### 1. LEGISLATIVE CONTEXT

- 1.1 This by-law is mandated by Section 3 of the Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
- (a) Section 2(1), may levy a rate on property in its area; and
  - (b) Section 2(3), must exercise its power to levy a rate on property subject to-
    - i. Section 229 and any other applicable provisions of the Constitution;
    - ii. the provisions of the Property Rates Act; and
    - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates by-law.
- 1.6 The by-laws of the Ditsobotla Local Municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Act and Municipal Finance Management Act, 2003 (No. 56 of 2003) including any regulations promulgated in terms of these Acts.

- 1.7 As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within the Ditsobotla Local Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in Section 15 of the Act and includes:
- Cemeteries
  - Sport ground for exercising amateur sport
  - Properties owned by welfare organizations
- 1.8 The Rates by-law sets out the broad policy framework within which the municipality rates its area as per Section 3 of the Act, and gets annually reviewed and, when necessary, amends the municipality's rates of assessment as per Section 5 of the Act.
- 1.9 This by-law and the Municipal Property Rates Act, 2004 could be obtained from the Municipal Website [www.ditsobotla.co.za](http://www.ditsobotla.co.za)

## 2. DEFINITIONS

- 2.1 **Act** means the Municipal Property Rates Act, 2004 (No. 6 of 2004).
- 2.2 **Municipality** means the municipal council for the municipal area of Ditsobotla.
- 2.3 **Bona fide farmer** means the registered owner of agricultural land which is predominantly used for agricultural purposes.
- 2.4 **Private developed townships** – means single properties in an area not ordinary being serviced by the municipality divided through subdivision or township development into [five or more] full time 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, owner or Shareholders, maintained and rendered to the residents of such townships, including permitted use for residential purposes of land of mine companies and protected areas where township establishment did not take place.
- 2.5 **All other terms** are used within the context of the definitions contained in the Municipal Property Rates Act, 2004 (No. 6 of 2004).

## 3. BY-LAW PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 Phasing in of rates will be based on the new valuation roll and in terms of Section 21 of the Municipal Property Rates Act (Act No. 6 of 2004)
- 3.4 The rates by-law for the municipality is based on the following principles:
- 3.4.1 Equity
- The municipality will treat all ratepayers with similar properties the same.
- 3.4.2 Affordability
- The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.

**3.4.3 Sustainability**

Rating of property will be implemented in a way that:

- 3.4.3.1 it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
- 3.4.3.2 supports local and social economic development with consideration and compliance with the LED strategy of the municipality.

**3.4.4 Cost efficiency**

Rates will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage removal) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

**4. SCOPE OF THE BY-LAW**

This by-law guides the annual setting (or revision) of property rates. It does not make specific property rates proposal. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

**5. APPLICATION OF THE BY-LAW**

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the respective categories of properties and owners as allowed in this by-law. The council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of the property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

**6. CLASSIFICATION OF SERVICES AND EXPENDITURE**

6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and appropriate Financial Committee of the municipality, make provision for the following classification of services:-

**6.1.1 Trading services**

- 6.1.1.1 Water
- 6.1.1.2 Electricity

**6.1.2 Economic services**

- 6.1.2.1 Refuse removal.
- 6.1.2.2 Sewerage disposal.

**6.1.3 Community services**

- 6.1.3.1 Air pollution
- 6.1.3.2 Fire fighting services
- 6.1.3.3 Local tourism
- 6.1.3.4 Municipal planning