

BLOUBERG MUNICIPALITY



DRAFT RATES POLICY: FINANCIAL YEAR 2020\21

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1. INTRODUCTION

In terms of the Local Government: Municipal Property Rates Act 6/2004 and Local Government Municipal Finance Management Act 56/2003, Section 3(1) and Section 62(1) respectively, a municipality has to develop and adopt a rates policy consistent with the applicable legislation mentioned for purposes of implementing the levying of rates on rateable properties within the municipality's boundaries.

This adopted rates policy sets out the broad policy framework within which the municipality rates its area and must, in accordance with Section 5 of the Municipal Property Rates Act, 2004, be reviewed, and where necessary, amended annually.

Blouberg municipality will, as part of each annual operating budgeting process impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s).

Rateable property includes any rights registered against the property, with the exception of a mortgage bond. As a rule, all land within a municipal area is rateable unless it is specifically exempted in terms of Section 15 of the Municipal Property Rates Act, 2004.

This document sets out the policy of the Municipality of Blouberg on the levying of rates and rateable property.

Municipal tax is used to balance the budget of publicly controlled infra-structure by a municipality or a municipal entity as defined in the Municipal Systems Act which is as set out under definition and heading.

"Public service infrastructure"

Property rates are used to fund services that benefit the community as a whole. These services need not be directly linked to a specific household and needn't be directly accessible in terms of proximity to each household, e.g. access roads, sewerage, refuse, water. Rates are not meant to fund the provision of water and sanitation, electricity and refuse removal which are funded from the tariffs (user service charges) charged for consumption of these services and also charged a fee for the availability of such services.

2. OBJECTIVES

The objectives of this policy are to ensure that-

- a. All ratepayers within a specific category are treated equally and reasonably;
- b. Rates are levied in accordance with the market value of the property;

- c. The rate will be based on the value of all rateable property and the amount required by Council to expenditure of rates related services reflected in the operational budget, taking into account any surpluses generated from Council services and the amounts required to finance exemptions, reductions and rebates that the municipality may approve from time to time;
- d. To optimally safeguard the income base of the municipality by only approving exemptions, reductions and rebates that is reasonable and affordable
- e. ensure that all owners of rateable property are informed about their liability for rates;
- f. specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in section 15 of the Act;
- g. empower the Council to specify a threshold at which rating in respect of residential properties may commence as provided for in section 15 of the Act read with section 17 (1)(h), which it is hereby authorised to do;
- h. set out the criteria to be applied by the Council if it –
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;
- i. provide for categories of public benefit organisations, approved in terms of section 30(1) of the Income Tax Act 58 of 1962, which are ratepayers, and may apply to the Council for relief from rates;
- j. recognise the State and the owners of public service infrastructure as property owners;
- k. encourage the development of property;
- l. ensure that all persons liable for rates are treated equitably as required by the Act; and
 - (i) provide that any rebate contemplated in paragraphs 7 of this Policy is to benefit the owner in occupation of the property.
- m. To determine the level of increases in rates, the criteria to be applied may include the following:

- (i) the inflation rate as indicated by the consumer price index excluding mortgage bonds;
 - (ii) the financing of increased operating expenditure;
 - (iii) the financing of additional maintenance expenditure;
 - (iv) the additional cost of servicing debt included in the operating budget of the Council;
 - (v) the augmentation of any revenue shortfall;
 - (vi) the financing from the annual operating budget of expenditure related to anything the Council is lawfully empowered to do for which provision has to be made in the budget;
 - (vii) the taking into consideration of the medium term budget growth factors as determined by National Treasury;
 - (viii) In addition to the criteria specified in subparagraph (3) above, the following criteria is taken into account in determining whether a differential rate should be applied:
 - (a) the need to promote economic development;
 - (b) any administrative advantages in applying a differential rate; and
 - (c) the need to alleviate the rates burden on the owners of any particular category of property specified in paragraph 7.
- o. Exemptions, rebates and reductions may only be granted as provided for in the Rates Policy.

3. LEGISLATIVE CONTEXT

3.1. This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.

3.2. 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.

3.3. In terms of the Local Government: 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 any regulations promulgated in terms thereof; and
 - iii the rates policy.

3.4. In terms of Section 4 (1) (c) of the Local Government: 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.

3.5. In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the Municipal Manager must ensure that the municipality has and implements a rates policy.

3.6. This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.

4. DEFINITIONS

"Act" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

"Agricultural Purposes" means in relation to the use of a property.

"Bona fide farmer" means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition in the hope, based on reasonable grounds, that an ultimate profit will be derived.

"Business" means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or *inter alia*, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

"Community participation" means participation in accordance with the provisions of chapter 4 of the Local Government: Municipal Systems Act, No 32 of 2000.

"consent use" means the purpose for which land may lawfully be used, and for which buildings may be erected and used only with the consent of the Council;

"Council" means –

(a) the Council of the Blouberg Local Municipality established by Provincial Notice No. 6766 of 2000, as amended, exercising its legislative and executive authority through its municipal Council; or

(b) its successor in title; or

(c) a structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Systems Act; or

(d) in respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it through a service delivery agreement in terms of section 81(2) of the Systems Act or any other law, as the case may be;

"Farming community" means the owner of the agricultural land and their dependants and should also mean the same as local community in as far as it relates to the sector

"Financial year" means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;

"Government" in relation to property means property owned and exclusively used by an organ of state.

"Illegal use" means the use of a property in a manner that is inconsistent with or in contravention of the permitted use of that property as contained in

- a. the Title Deed registered over the property and
- b. the Blouberg Land Use Management Scheme, 2006.

"Improved" Any building or other immovable structure under the surface of the property which is the subject matter of any mining authorization or mining right defined in the Minerals Act, 1991 (Act No 50 of 1991). Any equipment or machinery which, in relation to the property concerned is immovable property

"Indigent" refers to households that, due to a number of socio-economic factors, are unable to afford the full monetary contribution towards the services provided by Blouberg Municipality ranging from social grants, dependence and orphans. Threshold for indigent is determined annually on the Blouberg Municipality's poor household support (indigent) policy.

"Industrial" 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.

"Lifestyle living" means enjoyment of the serenity and tranquility of rural living and excludes agricultural purposes.

"Lodge" means accommodation in a non-urban area provided for paying visiting guests with a focus in aspects of nature and/or place of interest, and includes a restaurant and conference facilities.

"Mining" means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

"Multiple use properties" means properties that cannot be assigned to a single category due to different uses.

"Municipal properties" means those properties of which the municipality is the owner.

"Permitted Use" means the limited purposes for which the property may be used in terms of:

- I. A condition of title.
- II. A provision of the Blouberg's applicable land use scheme as amended from time to time.
- III. Any legislation applicable to any specific property or properties.
- IV. Any alleviation of any such restriction.

"Protected area" means an area that is or has to be listed in a register in terms of section 10 of the National Environmental Management: Protected Areas Act, 2003.

"Public Benefits Organization" means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act for tax reductions because of those activities.

"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 and 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 communications system serving the public;
- g) runways or aprons 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 registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);

“Rateable property” means 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;

“Ratepayer” means any owner of rateable property as well as any owner of rateable property held under sectional title, situated within the area of jurisdiction of the Council;

“Remainder of a new Township” means such land forming part of a proclaimed/ approved township, either in terms of the Town-planning and Township ordinance 15 of 1986 or the Development Facilitation Act 67 of 1995, which land is still registered in the name of the township developer/owner by virtue of the township title.

“Residential” means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boardinghouse or hostel.

“Residential tribal area” means residential area with permission to occupy in line with Communal Land Rights Act of 2004.

“Resort” a rural place visited for holidays or recreation. See definition of Lodge

“Small holdings” a small piece of agricultural land not necessary used for agricultural purposes.

“State-owned properties” means properties owned by the State, which are not included in the definition of public service infrastructure in the Act.

These state-owned properties are classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide service.
- (c) State properties that provide provincial/national service.

“Threshold” means the reduction, as contemplated in section 15 of the Act, of residential property;

“Vacant land” means land where no immovable improvements have been erected or buildings are in the process of being built – the land shall be deemed vacant until an occupation certificate is issued.

“Zoning” means the purpose for which land may lawfully be used or for which buildings may be erected or used, or both, as contained in any applicable Land Use Management Scheme and “zoned” has corresponding meaning.

5. PRINCIPLES

The following principles will ensure that the municipality treats persons liable for rates equitably:

5.1 Equity

The municipality will treat ratepayers with similar properties the same.

5.2 Affordability

The ability of persons 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 and rebates.

6. CATEGORIES OF PROPERTIES

Criteria for categories of properties for the purpose of levying different rates

6.1 Use of the property

The following, based on the use of the relevant properties, are determined categories by the municipality:

a. Residential	
I. Residential property, low and high density	
II. Residential property, sectional title	
III. Residential property, tribal area	
IV. Residential impermissible use or illegal use	
V. Residential vacant land	
VI. All vacant land in the process of being built shall be deemed vacant land until such time as an occupation certificate is issued and rated in terms of the recorded valuation	
b. Industrial Properties	
I. Industrial properties	
c. Business and commercial Properties	
I. Business and commercial properties	
d. Farm properties used for	
I. Agricultural purposes	
II. Other business and commercial purposes	
III. Residential purposes	

IV. Purposes other than those specified in sub paragraphs (i) and (ii)	
e. Farm properties not used for any purpose	
f. Small holdings used for	
I. Agricultural purposes	
II. Residential purposes	
III. Industrial purposes	
IV. Business and commercial purposes	
V. Purposes other than those specified in sub paragraph (i) to (iv)	
g. State-owned properties	
I. State-owned properties for schools	
II. Private commercial activities on state-owned properties	
h. Municipal properties	
I. Private commercial activities on municipal properties	
II. Residential occupied dwellings on municipal properties	
i. Public service infrastructure	
j. Public service infrastructure, privately owned towns serviced by the owner	
k. Formal and informal settlements	
l. Common land as defined in section 1 of the Communal Land Rights Act, 2004	
m. State trust land	
n. Properties	
I. Acquire through the Provision of Land and Assistance Act, 1993, Act No 126 of 1993, or the Restitution of Land Rights Act 1944 (Act No 22 of 1994) or	
II. Which is subject to the Communal Property associations Act 1966 (Act No 28 of 1996)	
o. Protected areas	
p. Properties on which national monuments are proclaimed	

q. Properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth schedule to the Income Tax Act	
I. Private schools	
II. Private sport/social clubs and section 21 companies	
r. Properties used for multiple purposes, subject to section 9	

7. CRITERIA FOR RATING MULTIPLE USE PROPERTIES:

The following criterion is proposed by the municipality:

- Apportioning the market value of the property to the different purposes for which the property is being used.
- Applying the relevant cent amount in the Rand to the corresponding apportioned market value.

8. DIFFERENTIAL RATING

Criteria for differential rating categories of properties

The following has been taken into consideration for the purpose of differential rating:

- The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- Vacant land will be rated higher (in terms of a Cent amount in a Rand) as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purposes by owners.
- Promotion of social and economic development of a municipality.
- Use of the property.
- Permitted use of the property.
- Geographical area in which the property is situated.
- Differential rating among the various property categories will be done by way of a setting different Cent amount in the Rand for each property category rather than by way of reductions and rebates. This is much simpler for citizens to understand and thus promotes the principle of transparency.

9. LEVYING OF RATES

9.1. Period for which rates may be levied

- 9.1.1. When levying rates, the municipality shall levy the rate for a financial year and this rate shall lapse at the end of the financial year for which it was levied.

- 9.1.2. The levying of rates form part of the municipality’s annual budgeting process and at the time of its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.
- 9.1.3. A rate levied for a financial year may be increased during a financial year, only when required in terms of a financial recovery plan as provided for in the Municipal Property Rates Act, 2004.
- 9.1.4. A rate becomes payable as from the start of a financial year.

9.2. Amount due for rates

- 9.2.1. The municipality shall, in accordance with provisions and guidelines of the Act, as part of each annual operating budget determine a rate in the rand for every category of property
- 9.2.2. Rates are levied in accordance with the Act as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll(s).

9.3. Property not rated

Rates are not levied on the transportation corridors of public service infrastructure owned by the municipality.

9.4. Categories

The category of property is determined by the actual use of the property and if the property is not in use, the zoning determines the category. The municipal valuer is responsible for categorizing properties and maintaining the categories, as any change in the use of a property may result in a change in category.

The municipality has determined the following categories in terms of section 8(1) of the Municipal Property Rates Act, 2004:

As set out in 4.1 (a-r)

The categories such as Residential property consent use and residential impermissible or illegal use have been included in the category of properties due to the following reasons:

- To discourage illegal and use and accommodate consent land uses as the municipality needs to bill correctly in-line with the land use that exists on that particular property. Many of the land uses in Blouberg Local municipality are illegal and do not align with the zoning as per the land use scheme. Thus for correct billing, they must form part of the rates policy as rateable properties.

9.5. Rates tariffs

CATEGORIES	2019/2020	2020/2021	2021/2022	2022/2023
Residential	0.0067	0.0071	0.0075	0.0080
Residential property consent use	0.0106	0.011	0.0112	0.0118
Residential impermissible or illegal use	0.0138	0.0146	0.0154	0.0163
Residential vacant land	0.0093	0.0098	0.0103	0.0109
Farms	0.0020	0.001775	0.0019	0.0020
State owned properties	0.0371	0.0099	0.0104	0.0111
Businesses\ commercial	0.0093	0.0098	0.0103	0.0109

10. LIABILITY FOR PAYMENT OF RATES

- 10.1. Rates levied by the municipality on a property must be paid by the owner of the property in accordance with the Property Rates Act, 2004 as amended, subject to chapter 9 of the Municipal Systems Act 32/2000.
- 10.2. Rates will be levied and be payable on a monthly basis.
- 10.3. Where an amount due for rates is unpaid by the owner of the property, the municipality may recover the amount from the tenant or occupier of the property. The amount due for rates may be recovered from the agent of the owner.
- 10.4. Where the rates levied on a property are based on a supplementary valuation made in terms of section 78(1) of the Municipal Property Rates Act, 2004, the rates are payable from one of the dates contemplated in section 78(4) of the said Act.
- 10.5. The recovery of rates by the municipality will be in accordance with the municipality's debt collection and credit control policy.
- 10.6. Applications for deferral of rates will be taken into account the merits of each application in accordance with the credit control policy.
- 10.7. A rate (Cent amount in a Rand) will be reflected in the budget.

11. RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

The municipality grants rebates, reductions and exemptions in recognition of the following factors:

- The need to accommodate indigent residents and less affluent pensioners.
- The services provided for the community by public service organizations.
- The value of agricultural activities to the local economy.
- The need to preserve the cultural heritage of the local community.

11.1. Criteria for exemptions, rebates and reductions

The following factors will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

The owner of the land

- Indigent owners.
- Owners dependent on pensions or social grants for their livelihood.
- Owners temporarily without income.
- Owners of agricultural properties who are bona fide farmers
- Owners of agricultural land used mainly for communal residential development such as bought farms, farms owned by traditional authorities and state farms solely used for residential development and were such residents are liable for development fund\rural rent.
- Public service organization.

Social and economic conditions

- Market value of residential property below a determined threshold

- The social and /or economic conditions of the area where the owners of properties are located e.g. in an area declared by the national or provincial government to be a disaster area within the meaning of the disaster Management Act, 2002, to the extent that the area is significantly and negatively affected.

Use of the property

- The nature of and use of the property
- The development status of the property
- The extent to which the maintenance and /or supply of municipal services to the property is undertaken by the owners of the property.

11.2. Granting of exemptions, rebates and reductions

The exemptions, rebates and reductions will be considered after an application accompanied by relevant documents (SARS status, pension or social grant proofs as well as affidavit) have been lodged with the municipality on an annual basis. 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, the rebate is calculated on the previous rates amount payable.

11.3. Effect of rates to the poor and municipality's measures to alleviate rates burden

In order to alleviate rates on the poor, the following exemptions and rebates are proposed:

Exemptions:

- Indigent owners
- Owners dependent on pensions or social grant for their livelihood.
- Bought farms used for settlements
- Land under ownership of traditional authorities

Disabled Persons Rate Rebate

- i. Disabled unemployed persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residence;
 - c. be in receipt of a total monthly income NOT more than R3 400.00 from all sources as annually determined by the municipality (including income of spouses of owner);
 - d. not be the owner of more than one property within the Municipal area; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-

- a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
- b. sufficient proof of income of the owner and his/her spouse;
- c. an affidavit from the owner;
- d. if the owner is a disabled person, proof of a disability / payable by the state must be supplied; and Owners of residential property whose market value is below R50 000 (including the first R15 000.00 mandatory exclusion).

Rebates:

- First R35 000 of all rateable residential properties are exempted from rates and taxes.
- Owners of small holdings up to 5ha use for residential and lifestyle living 20% rebates on tariff for proclaimed residential land.
- Up to 5ha small holdings located further than 8 kilometers from the CBD core 30% rebate.
- Small holdings with other uses than residential, the use to be valued with a 20% discount on that of the use tariff within proclaimed township areas.
- Small holdings with an area more than 5ha not exceeding 30ha the use to be determined as set out under Clause 4.1(f).

Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply:-
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.
- ii. A maximum rebate as annually determined by the municipality will be granted on approval, subject to:-
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and

- c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.
- iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

Resorts:

- Resorts on agricultural or rural land with property value of above R30 000 000.00 to receive a rebate of 30% on that of the tariff for business.

11.4. Effect of rates on public benefit organizations

Taking into account the effects of rates on Public Benefit Organizations performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, it is proposed that the following specified public benefits activities be exempted from rating.

- Welfare and humanitarian, for example PBOs providing disaster relief.
- Health Care, for example PBOs providing counseling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.
- Education and development, for example PBOs providing early childhood development services for pre-school children.

11.5. Effect of rates on development property

I. Development land

Remainder of new Townships:-

A reduction of rates will be allowed in respect of the remainder of new townships depending on its status as residential or agricultural

II Private Townships

A reduction of not more than 20% on the prescribed and normally applicable rates will be allowed on properties situated within a township in respect of which some or all of the internal municipal services are maintained by the owners.

III Sectional Title schemes

A reduction of not more than 20% on the prescribed and normally applicable rates will be allowed on properties situated within a sectional title scheme in respect of which some or all of the internal municipal services are maintained by the owners.

11.6. Effect of rates on properties used for agricultural purposes and by bona fide farmers

In terms of the previous Ordinance Rating Policy it, inter alia, deals with a sliding scale for agricultural properties and also by way of an extension also to agricultural farms.

The rating of agricultural properties could have a serious impact on financial sustainability if taken into account the South African climate and especially Limpopo where certain farming areas are prone to adverse weather conditions with long periods of drought and other negative impacts on animals such as diseases. Diseases occur regularly in this specific Blouberg municipal area with catastrophic results on employment, production etc. Therefore the reduction system as applied in the previous Ordinance (though the Ordinance has been repealed) would have been without doubt the most equitable and affordable for rating agriculture.

What is also taken into account is the value of agricultural services to the community as a whole. A factor which also affects agricultural within the Blouberg farming area is the location of Blouberg in relation to the agricultural properties where alternative municipal areas such as Polokwane or Lephalale are used by farm more often than Blouberg due to facilities such as banks, schools, businesses and industrial services.

11.6. The municipality will offer rebate on agricultural properties as follows:

- 75% reduction on the total value of the property

11.7. Other exemptions

- On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of the church which is occupied by an office-bearer of that church who officiates at services at that place of worship in terms of section 17(1)(i) of the Act. The exemption is applicable also on a property registered in the name of and used primarily as a place of public worship by a religious community that does not erect buildings.
- State properties that provide local a service are exempted from rating, for example, public schools and clinics, police stations, etc. (no exemption on this one but they may get a rebate of 30%)
- Municipal properties that are not leased or rented out by the municipality.
- Any schools, whether private or state subsidized, operated without the aim of making a profit and which are exempted from payment of income tax in terms of the provisions of the Income tax Act, Act no. 58 of 1962.

11.8. Benefit to the municipality due to exemption, rebates, reductions and exclusions phasing in and the benefit thereof to municipalities

The following will be the benefit of granting relief measures to the municipality:

- Promote local economic development including attracting business investment, for example small business establishment.
- Creation of employment for municipal residents.

- Promotion of service delivery, for example by farmers.
- Poverty alleviation to the indigents.
- Social development and moral development, for example, by religious institutions, sports institutions, schools and other nongovernmental organizations which promote health and other benefit to the community.
- Improved local economic growth.

11.9. RATES INCREASES / DECREASES

The following criteria will be taken into account for purposes of increasing / decreasing rates:

- Priorities of a municipality reflected in its Integrated Development Plan.
- The revenue needs of the municipality.
- A need for management of rates shocks.
- Affordability of rates to ratepayers.
- Illegal land use. In which instance twice the rate normally applicable to the use conducted/operated illegally on the property will be levied.

12. DISCLAIMER

Rates cannot be challenged on the basis of non-compliance with this rates policy and must be paid in accordance with the payment requirements.

Where a ratepayer believes that the municipality has failed to properly apply this rates policy, he/she should raise the matter, in writing, with the Municipal Manager.

13. ANNUAL REVIEW OF THE RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into account public comments and inputs.

14. EFFECTIVE DATE

The revised rates policy takes effect from the start of the relevant municipal financial year that is **01 July**.