

Act No. 6, 2004

LOCAL GOVERNMENT:
MUNICIPAL PROPERTY RATES ACT, 2004

- (d) determine how the municipality's powers in terms of section 9(1) must be exercised in relation to properties used for multiple purposes;
- (e) identify and quantify in terms of cost to the municipality and any benefit to the local community—
- (i) exemptions, rebates and reductions; 5
 - (ii) exclusions referred to in section 17(1)(a), (e), (g), (h) and (i); and
 - (iii) rates on properties that must be phased in in terms of section 21;
- (f) take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;
- (g) take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax reductions because of those activities, in the case of property owned and used by such organisations for those activities; 10
- (h) take into account the effect of rates on public service infrastructure;
- (i) allow the municipality to promote local, social and economic development; 15
and
- (j) identify, on a basis as may be prescribed, all rateable properties in the municipality that are not rated in terms of section 7(2)(a).
- (4) When considering the criteria to be applied in respect of any exemptions, rebates and reductions on properties used for agricultural purposes, a municipality must take into account— 20
- (a) the extent of services provided by the municipality in respect of such properties;
 - (b) the contribution of agriculture to the local economy;
 - (c) the extent to which agriculture assists in meeting the service delivery and development obligations of the municipality; and 25
 - (d) the contribution of agriculture to the social and economic welfare of farm workers.
- (5) Any exemptions, rebates or reductions referred to in subsection (3) and provided for in a rates policy adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government. 30
- (6) No municipality may grant relief in respect of the payment of a rate—
- (a) to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in its rates policy and granted in terms of section 15; or 35
 - (b) to the owners of properties on an individual basis.

Community participation

4. (1) Before a municipality adopts its rates policy, the municipality must—
- (a) follow a process of community participation in accordance with Chapter 4 of the Municipal Systems Act; and 40
 - (b) comply with subsection (2).
- (2) The municipal manager of the municipality must—
- (a) conspicuously display the draft rates policy for a period of at least 30 days—
 - (i) at the municipality's head and satellite offices and libraries; and 45
 - (ii) if the municipality has an official website or a website available to it as envisaged in section 21B of the Municipal Systems Act, on that website; and
 - (b) advertise in the media a notice—
 - (i) stating— 50
 - (aa) that a draft rates policy has been prepared for submission to the council; and
 - (bb) that the draft rates policy is available at the municipality's head and satellite offices and libraries for public inspection during office hours and, if the municipality has an official website or a website available to it, that the draft rates policy is also available on that website; and 55
 - (ii) inviting the local community to submit comments and representations to the municipality concerned within a period specified in the notice which may not be less than 30 days. 60

(3) A municipal council must take all comments and representations made to it or received by it into account when it considers the draft rates policy.

Annual review of rates policy

5. (1) A municipal council must annually review, and if necessary, amend its rates policy. Any amendments to a rates policy must accompany the municipality's annual budget when it is tabled in the council in terms of section 16 (2) of the Municipal Finance Management Act. 5

(2) Section 3(3) to (6), read with the necessary changes as the context may require, apply to any amendment of a rates policy. Community participation in amendments to a rates policy must be effected through the municipality's annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act. 10

By-laws to give effect to rates policy

6. (1) A municipality must adopt by-laws to give effect to the implementation of its rates policy.

(2) By-laws in terms of subsection (1) may differentiate between— 15
(a) different categories of properties; and
(b) different categories of owners of properties liable for the payment of rates.

Part 2: Levying of rates

Rates to be levied on all rateable property

7. (1) When levying rates, a municipality must, subject to subsection (2), levy rates on all rateable property in its area or, in the case of a district municipality, on all rateable property in the district management area. 20

(2) Subsection (1) does not—

- (a) oblige a municipality to levy rates on— 25
(i) properties of which that municipality is the owner;
(ii) public service infrastructure owned by a municipal entity;
(iii) properties referred to in paragraph (b) of the definition of "property" in section 1; or
(iv) properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices; or 30
(b) prevent a municipality from granting in terms of section 15 exemptions from, rebates on or reductions in rates levied in terms of subsection (1).

Differential rates

8. (1) Subject to section 19, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, which may include categories determined according to the— 35

- (a) use of the property;
(b) permitted use of the property; or
(c) geographical area in which the property is situated. 40

(2) Categories of rateable property that may be determined in terms of subsection (1) include the following:

- (a) Residential properties;
(b) industrial properties;

CHAPTER 4

GENERAL VALUATION OF RATEABLE PROPERTY

*Part 1: General***General valuation and preparation of valuation rolls**

30. (1) A municipality intending to levy a rate on property must in accordance with this Act cause— 5

(a) a general valuation to be made of all properties in the municipality determined in terms of subsection (2); and

(b) a valuation roll to be prepared of all properties determined in terms of subsection (3). 10

(2) All rateable properties in the municipality must be valued during a general valuation, including all properties fully or partially excluded from rates in terms of section 17(1)(a), (e), (g), (h) and (i): Provided that—

(a) properties referred to in section 7 (2) (a) must be valued only to the extent that the municipality intends to levy a rate on those properties; and 15

(b) the Minister may fully or partially exempt a municipality from the obligation to value properties excluded from rates in terms of section 17 (1) (e), (g) and (i) if the municipality can demonstrate that the valuation of those properties is too onerous for it, given its financial and administrative capacity.

(3) All properties valued in terms of subsection (2) must be included in the valuation roll: Provided that properties referred to in subsection (2)(b) and in section 7 (2) (a) (i) and (ii) must be included in the valuation roll whether or not they were valued. 20

Date of valuation

31. (1) For the purposes of a general valuation, a municipality must determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented. 25

(2) The general valuation must reflect the market value of properties determined in accordance with—

(a) market conditions which applied as at the date of valuation; and

(b) any other applicable provisions of this Act. 30

Commencement and period of validity of valuation rolls

32. (1) A valuation roll—

(a) takes effect from the start of the financial year following completion of the public inspection period required by section 49; and

(b) remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than four financial years. 35

(2) The MEC for local government in a province may extend the period for which a valuation roll remains valid to five financial years, but only —

(a) if the provincial executive has intervened in the municipality in terms of section 139 of the Constitution; or 40

(b) on request by the municipality, in other exceptional circumstances which warrant such extension.

(3) The valuation roll of a municipality remains valid for one year after the date on which the roll has lapsed if the provincial executive intervenes in a municipality in terms of section 139 of the Constitution either before or after that date, provided that the intervention was caused by the municipality's failure— 45

(a) to determine a date of valuation for its general valuation in terms of section 31; or

(b) to designate a person as its municipal valuer in terms of section 33. 50

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(2) The valuation roll must reflect the following particulars in respect of each property as at the date of valuation to the extent that such information is reasonably determinable:

- (a) The registered or other description of the property;
- (b) the category determined in terms of section 8 in which the property falls;
- (c) the physical address of the property;
- (d) the extent of the property;
- (e) the market value of the property, if the property was valued;
- (f) the name of the owner; and
- (g) any other prescribed particulars.

Public notice of valuation rolls 10

49. (1) The valuer of a municipality must submit the certified valuation roll to the municipal manager, and the municipal manager must within 21 days of receipt of the roll—

- (a) publish in the prescribed form in the provincial *Gazette*, and once a week for two consecutive weeks advertise in the media, a notice— 15
 - (i) stating that the roll is open for public inspection for a period stated in the notice, which may not be less than 30 days from the date of publication of the last notice; and
 - (ii) inviting every person who wishes to lodge an objection in respect of any matter in, or omitted from, the roll to do so in the prescribed manner within the stated period; 20
- (b) disseminate the substance of the notice referred to in paragraph (a) to the local community in terms of Chapter 4 of the Municipal Systems Act; and
- (c) serve, by ordinary mail or, if appropriate, in accordance with section 115 of the Municipal Systems Act, on every owner of property listed in the valuation roll a copy of the notice referred to in paragraph (a) together with an extract of the valuation roll pertaining to that owner's property. 25

(2) If the municipality has an official website or another website available to it, the notice and the valuation roll must also be published on that website.

Inspection of, and objections to, valuation rolls 30

50. (1) Any person may, within the period stated in the notice referred to in section 49 (1) (a)—

- (a) inspect the roll during office hours;
- (b) on payment of a reasonable fee, request the municipality during office hours to make extracts from the roll; and 35
- (c) lodge an objection with the municipal manager against any matter reflected in, or omitted from, the roll.

(2) An objection in terms of subsection (1)(c) must be in relation to a specific individual property and not against the valuation roll as such.

(3) A municipal manager must assist an objector to lodge an objection if that objector is unable to read or write. 40

(4) A municipal council may also lodge an objection with the municipal manager concerned against any matter reflected in, or omitted from, the roll. The municipal manager must inform the council of any matter reflected in, or omitted from, the roll that affects the interests of the municipality. 45

(5) A municipal manager must, within 14 days after the end of the period stated in the notice referred to in section 49 (1) (a), submit all objections to the municipal valuer, who must promptly decide and dispose of the objections in terms of section 51.

(6) The lodging of an objection does not defer liability for payment of rates beyond the date determined for payment. 50

Processing of objections

51. A municipal valuer must promptly—

- (a) consider objections in accordance with a procedure that may be prescribed;
- (b) decide objections on facts, including the submissions of an objector, and, if the objector is not the owner, of the owner; and 55
- (c) adjust or add to the valuation roll in accordance with any decisions taken.

Compulsory review of decisions of municipal valuer

52. (1) If a municipal valuer adjusts the valuation of a property in terms of section 51 (c) by more than 10 per cent upwards or downwards—
- (a) the municipal valuer must give written reasons to the municipal manager; and
 - (b) the municipal manager must promptly submit to the relevant valuation appeal board the municipal valuer's decision, the reasons for the decision and all relevant documentation, for review. 5
- (2) An appeal board must —
- (a) review any such decision; and
 - (b) either confirm, amend or revoke the decision. 10
- (3) If the appeal board amends or revokes the decision, the chairperson of the appeal board and the valuer of the municipality must ensure that the valuation roll is adjusted in accordance with the decisions taken by the appeal board.

Notification of outcome of objections and furnishing of reasons

53. (1) A municipal valuer must, in writing, notify every person who has lodged an objection, and also the owner of the property concerned if the objector is not the owner, of—
- (a) the valuer's decision in terms of section 51 regarding that objection;
 - (b) any adjustments made to the valuation roll in respect of the property concerned; and
 - (c) whether section 52 applies to the decision. 15
- (2) Within 30 days after such notification, such objector or owner may, in writing, apply to the municipal manager for the reasons for the decision. A prescribed fee must accompany the application. 20
- (3) The municipal valuer must, within 30 days after receipt of such application by the municipal manager, provide the reasons for the decision to the applicant, in writing. 25

Right of appeal

54. (1) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 may be lodged in the prescribed manner with the municipal manager concerned by—
- (a) a person who has lodged an objection in terms of section 50 (1) (c) and who is not satisfied with the decision of the municipal valuer;
 - (b) an owner of a property who is affected by such a decision, if the objector was not the owner; or
 - (c) the council of the municipality concerned, if the municipality's interests are affected. 30
- (2) An appeal by—
- (a) an objector must be lodged within 30 days after the date on which the written notice referred to in section 53(1) was sent to the objector or, if the objector has requested reasons in terms of section 53(2), within 21 days after the day on which the reasons were sent to the objector; 40
 - (b) an owner of such property must be lodged within 30 days after the date on which the written notice referred to in section 53(1) was sent to the owner or, if the owner has requested reasons in terms of section 53(2), within 21 days after the day on which the reasons were sent to the owner; or 45
 - (c) a municipal council must be lodged within 30 days after the date on which the decision was taken.
- (3) (a) A municipal manager must forward any appeal lodged in terms of subsection (1) to the chairperson of the appeal board in question within 14 days after the end of the applicable period referred to in subsection (2). 50

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(b) The chairperson of an appeal board must, for purposes of considering any appeals, convene a meeting of the appeal board within 60 days after an appeal has been forwarded to the chairperson in terms of paragraph (a).

(c) When an appeal is forwarded to the chairperson of an appeal board in terms of paragraph (a), a copy of the appeal must also be submitted to the municipal valuer concerned. 5

(4) An appeal lodged in terms of this section does not defer a person's liability for payment of rates beyond the date determined for payment.

Adjustments or additions to valuation rolls

55. (1) Any adjustments or additions made to a valuation roll in terms of section 51(c), 10
52 (3) or 69 take effect on the effective date of the valuation roll.

(2) If an adjustment in the valuation of a property affects the amount due for rates payable on that property, the municipal manager must—

(a) calculate—

- (i) the amount actually paid on the property since the effective date; and 15
(ii) the amount payable in terms of the adjustment on the property since the effective date; and

(b) recover from, or repay to, the person liable for the payment of the rate the difference determined in terms of paragraph (a) plus interest at a prescribed rate. 20

(3) Where an addition has been made to a valuation roll as envisaged in subsection (1), the municipal manager must recover from the person liable for the payment of the rate the amount due for rates payable plus interest at a prescribed rate.

CHAPTER 7**VALUATION APPEAL BOARDS** 25**Establishment of valuation appeal boards**

56. (1) The MEC for local government must, by notice in the provincial *Gazette*, establish as many valuation appeal boards in the province as may be necessary, but not fewer than one in each district municipality and each metropolitan municipality.

(2) If more than one appeal board is established within the area of a district municipality, such board must be established for one or more specific local municipalities or district management areas. 30

Functions

57. The functions of an appeal board are—

(a) to hear and decide appeals against the decisions of a municipal valuer concerning objections to matters reflected in, or omitted from, the valuation roll of a municipality in the area for which it was established in terms of section 56; and 35

(b) to review decisions of a municipal valuer submitted to it in terms of section 52. 40

Composition

58. (1) An appeal board consists of—

(a) a chairperson, who must be a person with legal qualifications and sufficient experience in the administration of justice; and

(b) not fewer than two and not more than four other members with sufficient knowledge of or experience in the valuation of property, of which at least one must be a professional valuer registered in terms of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000). 45