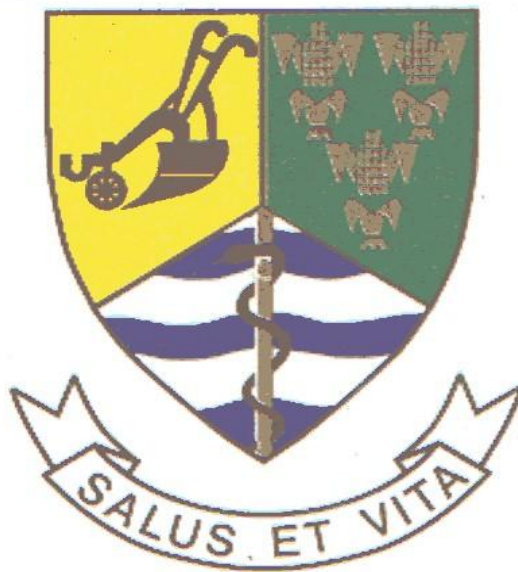


BELA-BELA LOCAL MUNICIPALITY



PROPERTY RATES

POLICY

DRAFT

2026/2027



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Version:

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Summary: This document describes the Policy on the Levying of Property Rates that will be applicable to the Bela Bela Municipality, with effect from 01 July 2025.

Municipal Manager

Mayor



PREAMBLE

WHEREAS section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004) requires that a Municipality must adopt a policy in accordance with the provisions of the Act;

NOW THEREFORE the following policy on the levying of property rates is adopted:

1. DEFINITIONS

In this policy, definitions, words and expressions have the same meanings as assigned to them in the Act, and unless the context indicates otherwise: –

“accommodation” means accommodation in an accommodation establishment, a room, dwelling-house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests consisting of three or more lettable units;

“Act” – means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004) and any amendment thereof;

“Annually” – means once every financial year;

“Bona fide farmer” – means the owner of the property who is taxed by South Africa Revenue Services as a farmer.

“Business and commercial property” – means -

- (a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- (b) property on which the administration of the business of private or public entities take place;
- (c) property used for the purpose of eco-tourism or for the trading in or hunting of game.

“Calendar year” shall mean 12 consecutive months of a financial year(s);

“Category”

- (a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Act;
- (b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Act;

“Conservation area” –

- (a) a protected area as listed in section 10 of the Protected Areas Act, 2003;
- (b) a nature reserve established in accordance with the Nature and Environment Conservation Ordinance, no 19 of 1974; or



(c) any land area as open area zone III in accordance with the Municipality's zoning scheme regulations;

provided that such protected areas, nature reserves or land areas, with the exception of tourism facilities that may be erected thereupon, be used exclusively for the conservation of the fauna and flora and the products of those land areas may not be traded for commercial gain;

“exclusion” – in relation to a Municipality's rating power, means a restriction of that power as provided for in sections 16 and 17 of the Act;

“exemption” - in respect of the calculation of a rate means an exemption granted in terms of section 15(1)(a) of the Act;

“Agricultural property” – means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.

“Farm property or small holding mainly used for residential” – predominantly/ main used for residential purpose and, not used for agricultural or commercial purpose.

“financial year” – the period starting from 1 July in a year to 30 June the following year;

“indigent” – means indigent person referred to in the Indigent Support Policy of Bela-Bela Local Municipality;

“industrial property” – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

“Illegal use” - means a use that is inconsistent with or in contravention with the permitted use of the property, including advertising sign, in which event and without condoning the use thereof the property will be valued in accordance with section 46(2)(b) & (c) of the Act.

“local community” – in relation to the Municipality –

- (a) means that body of persons comprising –
- (i) the residents of the Municipality;
 - (ii) the rate payers of the Municipality;
 - (iii) any civic organisations and non-governmental, 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 deprived sections of such body of persons;



“local Municipality” – 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;

“market value” – in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

“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;

“mining property” – means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002);

“multiple purposes” – Means a property that cannot be assigned to a single category due to the different uses of such property in which event the property will be valued based on the apportionment of uses in accordance with the applicable category of property in terms of this policy;

“municipal council” or **“council”** – is a municipal council referred to in section 18 of the Municipal Structures Act, 1998 (Act No 117 of 1998);

“municipal manager” – means a person appointed in terms of section 82 of the Municipal Structures Act, 1998 (Act No 117 of 1998);

“municipal property” – is property registered or established in the name of the Bela Bela Municipality;

“Municipality” –

- (a) as a corporate entity means a Municipality as described in section 2 of the Municipal Systems Act, 2000 (Act No 32 of 2000); and
- (b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No 27 of 1998);

“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 the 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;

“occupier” – in respect of a property means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

“open space” - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is as open space;



“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;
- (b) in relation to a right 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 servitude;
 - (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
 - (viii) 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;

“permitted use” – in respect of a property means the limited purposes for which a property may be used in terms of the following –

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

“private open space” – means land zoned or used as a sport, play, rest and recreational ground or as an ornamental pleasure garden and a tearoom or restaurant to which, without permission, the general public has no right of admission.

“public open space” – means any land zoned for use by the general public as an open space, park, garden, recreational site, sport field or square.



“privately owned townships serviced by the owner” – means single properties (group housing or single residential erven), situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and/or sectional title units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate;

“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 services infrastructure;

“property register” – a register of properties referred to in section 23 of the Act;

“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 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 of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);



"Public service purposes", in relation to the use of a property, means property owned and used by an organ of state as-

- (a) hospitals or 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,

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

"rateable property" – means property on which a Municipality may in terms of section 2 of the Act 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 respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

"residential property" – means improved property that:-

- (a) is used predominantly (60% or more) 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, if still used dominantly for residential purposes;
- (b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;
- (c) is owned by a share-block company and is used predominantly for residential purposes;
- (d) is a residence used for residential purposes situated on a property used for educational purposes;
- (e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;
- (f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;



“state owned property” – 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

“vacant land” – means any land without any improvements thereon, and irrespective of their zoning or intended use, have been specifically excluded from this property category;

2. OBJECTIVES OF THE POLICY

2.1 The objectives of this policy are: –

- (1) to comply with the provisions of section 3 of the Act;
- (2) to determine criteria to be applied for –
 - (a) levying differential rates for different property categories;
 - (b) exemptions;
 - (c) reductions; (d) rebates; and
 - (e) rate increases.



- (3) to determine or provide criteria for the determination of the following - (a) property categories for the purpose of levying different rates; and
(b) categories of owners of properties for the purpose of granting exemptions, rebates and reductions;
- (4) to determine how the Municipality's power should be exercised in terms of multiple-use properties;
- (5) to identify and quantify the following for the Municipality in terms of costs and the benefit for the community –
(a) exemptions, rebates and reductions; and (b) exclusions.
- (6) to take into account the effect of rates on the indigent;
- (7) to take into account the effect of rates on organisations that perform activities for public benefit;
- (8) to take into account the effect of rates on the public services infrastructure; (9) to determine measures for promoting local economic and social development; and
- (10) to identify all rateable revenue not being rated.

3. POLICY PRINCIPLES

- 3.1 Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's anti-corruption policy.
- 3.2 The levying of rate on a property is an exclusive right of the Municipality which will be exercised:–
 - (a) optimally and comprehensively within the Municipality; and
 - (b) with consideration of the total revenue source of the Municipality.
- 3.3 The rating of properties will be done independently, justly, equitably and without prejudice and this principle will also be applied with the determination of criteria for exemptions, reductions and rebates as provided for in section 15 of the Act.
- 3.4 The levying of property rates must be implemented in such a way that: -
 - (a) it is aimed at development;
 - (b) it promotes sustainable local government by providing a stable and constant revenue source within the discretionary control of the Municipality; and (c) it promotes economic, social and local development.
- 3.5 Property rates will be levied to: –
 - (a) correct the imbalances of the past; and
 - (b) minimise the effect of rates on the indigent.
- 3.6 The market value of a property serves as basis for the calculation of property rates.
- 3.7 The rate tariff will be based on the value of all rateable properties and the amount the Municipality needs to fund community and subsidised services, after taking into account any possible surplus generated from trading and economic services and the amounts required to finance exemptions, rebates and reductions of rate, as approved by council from time to time.



- 3.8 Trade and economic services will be financially ring fenced and tariffs and service charges will as far as possible be calculated in such a way that the revenue generated covers the cost of the services or generate a surplus.
- 3.9 The provision for operating capital and bad debt must be related to community and subsidised services and must not include any provisions in respect of trade and economic services.
- 3.10 Property rates will be used to finance community and subsidised services.
- 3.11 Surpluses from trade and economic services may be used to subsidise community and subsidised services.
- 3.12 The revenue basis of the Municipality will be optimally protected by limiting the exemptions, rebates and reductions.

4. CATEGORISATION OF SERVICES

- 4.1 The Chief Financial Officer must, subject to the guidelines provided by the National Treasury and Mayoral Committee of council, make provision for the following categories of municipal services:

–

(a) Trade services

- (i) Water
- (ii) Electricity

(b) Economic services

- (i) Waste removal
- (ii) Sewerage
- (iii) Camping facilities

(c) Community services

- (i) Air pollution
- (ii) Local tourism
- (iii) Municipal planning
- (iv) Municipal public works, in respect of the needs of the Municipality in the execution of its responsibilities and to administer functions specially assigned to the Municipality under the Constitution or any other law
- (v) Storm water management systems in built-up areas
- (vi) Trade regulations
- (vii) Advertising billboards and the display of advertisements in public places
- (viii) Cemeteries
- (ix) Control of public nuisances
- (x) Control over undertakings that sell alcohol to the public
- (xi) Township development
- (xii) Facilities for accommodation, care and burial of animals
- (xiii) Fencing and fences
- (xiv) Licensing of dogs
- (xv) Licensing and control of undertakings that sell food to the public
- (xvi) Local amenities
- (xvii) Local sport facilities
- (xviii) Municipal parks and recreation



- (xix) Municipal roads
- (xx) Noise pollution
- (xxi) Pounds
- (xxii) Public places
- (xxiii) Street trading / Street lighting
- (xxiv) Traffic control and parking
- (xxv) Building control
- (xxvi) Licensing of vehicles and vehicle permits
- (xxvii) Nature reserves
- (xxviii) Child-care facilities
- (xxix) Ferry boats, jetties, piers and harbours



- (xxx) Markets
- (xxxi) Cleaning
- (xxxii) Beaches and entertainment facilities.

5. DIFFERENT CATEGORIES OF PROPERTIES

5.1 The categories of property are determined according to dominant use of the property irrespective of the permitted use in terms of the Town Planning scheme. However council may consider actual use for purposes of rating multiple and illegal use.

5.2 Categories of rateable property that may be determined in terms of paragraph 5.1 include the following: –

- (a) residential (improved property);
- (b) industrial;
- (c) business and commercial;
- (d) agricultural properties;
- (e) farm properties used for residential purposes;
- (f) privately owned properties serviced by the owner;
- (g) vacant land;
- (h) properties owned by an organ of state and used for public service purposes; municipal properties;
- (i) illegal use;
- (j) public services infrastructure;
- (k) mining properties;
- (l) properties owned by public benefit organisations and used for specified public benefit activities;
- (m) properties used for multiple purposes;
- (n) private open space;
- (o) public open space;
- (p) property-
 - a. acquired through the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993) or the Restitution of Land Rights Act, 1994 (Act No 22 of 1994); or
 - b. which is subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996)
- (q) Conservation areas.

6. CATEGORIES OF OWNERS

6.1 For the purpose as described in section 2(3)(b) of the policy the following categories of owners will be recognised in terms of section 15(2) of the Act:–

- (a) Those owners who qualify and who are registered as indigent in terms of the adopted indigent policy of the Municipality;
- (b) Owners of properties used for residential.
- (b) Owners of properties situated within an area affected by: –
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No 57 of 2002); or
 - ii. any serious adverse social or economic conditions.



- (c) Owners of properties situated in “privately owned townships” serviced by the owner;
- (d) Owners of agricultural properties;
- (e) Owners of farm properties that are used for residential purposes; (i) Owners of developed properties not yet sold and transferred.
- (j) Owners of public benefit organisations.
- (k) Beneficiaries of Land Reform.
- (l) Owners of conservation areas.
- (l) Owners dependent on pensions or social grants for their livelihood.

7. DIFFERENTIAL RATING

7.1 Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to –

- (a) the nature of the property including its sensitivity to rating, e.g. agricultural properties used for agricultural purposes; and
- (b) the promotion of social and economic development within the Municipality.

7.2 Differential rating among the various property categories will be done by way of setting a different cent amount in the rand for each property category; and

7.3 by way of reductions and rebates as provided for in this policy document.

8. TRANSITIONAL ARRANGEMENT: PUBLIC SERVICE INFRASTRUCTURE

8.1 In terms of Section 93A (1) of the Act; the prohibition on the levying of rates on public service Infrastructure referred in section 19(1)(a) must be phased in over a period of five municipal Financial years, with effect from the date of commencement of the Act;

The Municipality will not levy rates on public service infrastructure for the financial year 2025/2026 as the phasing in period of the prohibition on the levying of rates on such properties has lapsed.

9. ILLEGAL USE

General basis of valuation: In accordance with section 46(2)(b) & (c) of the Act.

Section 46 of MPRA

(2) In determining the market value of a property, the following must be considered for purposes of valuing the property:

- (b) the value of any immovable improvement on the property that was erected or is being used for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the improvement was erected or is being used for a lawful purpose; and*
- (c) The value of the use of the property for a purpose which is inconsistent with or in contravention of the permitted use of the property, as if the property is being used for a lawful purpose.*



10. EXEMPTIONS

10.1 Categories of properties

10.1.1 The following property categories are exempt from the payment of property rates: –

10.1.1.1 Municipal properties

Municipal properties are exempted from paying property rates.

10.1.1.2 Residential properties

All residential properties with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. **For the 2026/2027 financial year the maximum amount is determined as R50 000 as** contemplated in terms of section 17(1)(h) of the Act are included in the amount as referred to above as annually determined by the Municipality.

10.1.1.3 Public Benefit Organisations –

Public Benefit Organisation Property means property owned by public benefit organisations and used for any specified public benefit activity listed in part 1 of the Ninth Schedule to the Income Tax Act which includes: Welfare and Humanitarian; Health Care; Education and Development; Religion, Belief and Philosophy; Culture; Conservation, Environment and Animal Welfare; Sport. These organisations are exempted from paying property Rates.

10.1.2 Exemptions in 10.1.1.1 to 10.1.1.2 will automatically apply and no application is thus required by the owners of such property.

10.1.3 All possible benefiting organisations in clause 10.1.1.3 must apply annually, by 30 June, the last day prior to the beginning of the financial year in respect of which the application is made, If the exemption applied for is approved, the exemption will be valid for the full financial year. Applications made after the closing date will only be accepted for properties registered in the deeds office after 30 June 2023. Any other applications received after 30 June will not be considered for the financial year in respect of which rates are levied.

10.1.4 A rate-exemption certificate as issued by the South African Revenue Service (SARS), as contemplated in terms of Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962), must be submitted together with the application.

10.1.5 The Municipality retains the right to refuse the application for exemption if the details supplied in the application were incomplete, incorrect or false.

11.1 Impermissible Rates

In terms of section 17(1) of the Property Rates Act, 2004, the Municipality may, inter alia, not levy rates: –

- a. on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act



No 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004 (Act No 10 of 2004), which are not developed or used for commercial, business, residential or agricultural purposes.

- b. on mineral rights within the meaning of paragraph (b) of the definition for “property” in section 1 of the Act.
- c. on a property belonging to a land reform beneficiary or his or her heirs, provided that the exclusion lapses ten years from the date on which such beneficiary’s title was registered in the Deeds register.
- d. on a property registered in the name of and primarily used as a place of public worship, including an official residence registered in the name of the church that is occupied by an office-bearer who acts as official of the church.

12. REBATES

12.1 Categories of properties

12.1.1 Residential properties

The Municipality annually grants a rebate to owners of properties used for residential purposes. Such a rebate is in relation to the extent of rate-funded services that the Municipality renders in respect of such properties. The owners of vacant land properties, irrespective of their intended use shall not qualify for this rebate. For the 2026/2027 financial year the rebate is determined as 10%.

12.1.2 Privately owned townships and properties serviced by the owner

The Municipality grants a rebate, to be determined on an annual basis, which applies to privately owned townships serviced by the owners as defined in terms of paragraph 1 of this policy. Applications to this effect must be addressed once off in writing to the Municipality by 30 June, the last day prior to the beginning of 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. Applications made after the closing date will only be accepted for properties registered in the deeds office after 30 June 2024. Any other applications received after 30 June will not be considered for the financial year in respect of which rates are levied. For the 2026/2027 financial year the rebate is determined as 40%.

12.1.3 Farm properties and smallholdings used for residential purposes - The Municipality annually grants a rebate to owners of farm properties and smallholdings that are used for residential purposes. Such a rebate is in relation to the extent of rate-funded services that the Municipality renders in respect of such properties. The owners of vacant land properties, irrespective of their intended use shall not qualify for this rebate. For the 2026/2027 financial year the rebate is determined as 40%.

12.1.4 Properties used for agricultural purposes (Bona Fide farmers)

The Municipality grants a rebate to be determined on an annual basis, which applies to properties used for agricultural purposes;

- i. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may



determine that a rate levied by council on a category of non-residential property may not exceed a prescribed ratio (1:0.25) to the tariff levied on residential properties. The ratio for agricultural properties is determined as 1:0.12 for the 2026/2027 financial year. ii. The granting of bona fide rebates is subject to the following: –

- a. All applications must be addressed in writing to the Municipality attached with the letter from SARS in being taxed as a farmer or letter from a registered book keeper declaring that 40% of total income is from farming activities.
- b. Applications for the new financial year must be addressed in writing to the Municipality by 30 June, the last day prior to the beginning of the financial year in respect of which the application is made. If the rebate applied for is granted the rebate will apply for the full financial year.
- c. Applications made after the closing date will only be accepted for properties registered in the deeds office after 30 June 2026
- d. Any other applications received after 30 June will not be considered for the financial year in respect of which rates are levied.
- e. Council reserves the right to send officials or its agents on an annual basis to premises/households receiving relief for the purposes of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original applications.
- f. The Municipality retains the right to refuse applications for rebates if the details supplied in the application form were incomplete, incorrect or false

No further rebates will be granted to properties that qualify for the agricultural rebate. In order to avoid doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in paragraph 10.1.1.2 of this policy. For the 2026/2027 financial year the rebate is determined as 55%.

12.2 Categories of Owners

12.2.1 Indigent owners - The owners that qualify and are registered indigents in terms of the Municipality's policy for indigents receive a rebate on the payment of rates as specified in the Municipality's policy for indigents. In terms of the current policy, registered indigents shall be fully subsidised. If they qualify in terms of the Municipality's policy for indigents these rebates will automatically be applied and no further application is necessary.

12.2.2 Rebates for retired and disabled persons

12.2.2.1 Retired and disabled persons qualify for special rebates in accordance with their monthly household income. Property owners who meet the following requirements may apply for a rebate:–

- (a) The property must be registered in the name of the applicant or the usufruct of the property must be established in the name of the applicant.
- (b) The owner must be at least sixty (60) years of age or in receipt of a disability pension from the Department of Welfare and Population Development.
- (c) Only one application per person (owner) in respect of one property only shall qualify for consideration.



- (d) The owner must occupy the relevant property. 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.
- (e) In the case of a semi-detached house, of which a section is rented out, only the rates paid on that section occupied by the owner is subject to rebates.
- (f) If the owner is a disabled person who receives a disability grant from the government or a person who, due to medical reasons, had to take early retirement, the age requirement as in section 10.2.2.1(b) will not apply.
- (g) Total Income for the total household must be R13 059.10 or less (The threshold income is net income after medical expenses)

12.2.2.2 The Municipality grants a rebate, to be determined on an annual basis, for retired and disabled persons that do not qualify in terms of Council's approved Indigent policy. For the 2026/2027 financial year rebates is determined as 30%

12.2.2.3 Property owners must apply for a rebate on a prescribed form as stipulated by the Municipality, and these applications must reach the Municipality by 30 June, the last day prior to the beginning of the financial year in respect of which rates are levied. If the rebate applied for is granted, the rebate will apply for the full financial year. Applications made after the closing date will only be accepted for properties registered in the deeds office after 30 June 2026

Any other applications received after 30 June will not be considered for the financial year in respect of which rates are levied.

12.2.2.4 The Municipality retains the right to refuse the granting of rebates if the details supplied in the application were incomplete, incorrect or false.

12.2.2.5 Applications as intended in paragraph 12.2.2 must be accompanied by the following information: –

- (a) a certified copy of the identity document of the owner or any other proof of the owner's age which is acceptable to the Municipality;
- (b) sufficient proof of income of the owner and the his/her spouse;
- (c) Affidavit or Sufficient proof that the usufruct of the property has been established in the name of the applicant ;
- (d) if the owner is a disabled person, satisfactory proof submitted to the Municipality that the relevant person receives a disability pension payable by the state; and
- (e) proof of early retirement if the owner has retired at an earlier stage due to medical reasons.

13. REDUCTIONS

13.1 Reductions as contemplated in section 15 of the Act will be considered on an ad-hoc basis in the event of the following:-

13.1.1 Partial or total destruction of a property; or

13.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

13.2 The following conditions shall be applicable in respect of clause 13.1:-

13.2.1 The owner of the property referred to in clause 13.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the Municipality that his



property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

13.2.2 Owners of property referred to in clause 13.1.2 will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

13.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both clauses 13.1.1 and 13.1.2. For the 2026/2027 financial year the maximum reduction is determined as 80%.

13.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the Municipality gives further extension on application.

13.2.5 If rates were paid in advance prior to granting of a reduction the Municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

14. COST OF EXEMPTIONS, REBATES AND REDUCTIONS

14.1 The chief financial officer must inform council during the budgeting process of all the costs associated with the proposed exemptions, rebates, reductions, phasing-in of rates and grants in the place of rates.

14.2 Provision must be made on the operating budget for –

- (a) the full potential revenue associated with property rates; and (b) the full cost associated with exemptions, rebates and reductions.

15. PROPERTY REGISTER

15.1 A property register, divided into Sections A and B, regarding all properties in the municipal area of jurisdiction, must be compiled and maintained by the Municipality.

15.2 Section A of the register will consist of the current valuation roll of the Municipality and will include all supplementary valuations, as done from time to time.

15.3 Section B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to: –

15.3.1 exemption from rates in terms of section 15 of the Act;

15.3.2 a reduction or rebate in terms of section 15; 15.3.3

the phasing in of tariffs in terms of section 21; and

15.3.4 exclusions as referred to in section 17.

15.4 The register will be open for inspection by the public during office hours at the head office of the Municipality or on the internet website of the Municipality.

15.5 Section A of the register will be updated at least annually by the Municipality during the supplementary valuation process.

15.6 Section B of the register will be updated annually as part of the implementation of the Municipality's annual budget.



16. NOTIFICATION OF RATES

16.1 Council will give notice at least 30 days before the rate approved during the annual budget meeting will come into effect. Accounts furnished after the 30 days' notice will be based on the new rates.

16.2 A notice containing the extent of council's resolution and the date on which the new rate will come into effect will be displayed by the Municipality at places installed for this purpose.

17. CONSULTATION PROCESS

17.1 Before council commands a new valuation in terms of the Act, a consultation process involving all interest groups will be undertaken during which the purpose and method of valuation will be explained.

17.2 Before the Municipality accepts the rates policy the municipal manager will follow a process of public participation, as prescribed in chapter 4 of the Municipal Systems Act, and comply with the following requirements: –

17.2.1 Display the draft property rates policy continuously for a period of thirty (30) days at the Municipality's head office, satellite offices and on the website.

17.2.2 Publish a notice in the media stating that the draft property rates policy was compiled for submission to council and that such a policy is available at the different municipal offices and on the website for public inspection.

17.2.3 Property owners and interested persons may obtain a copy of the draft policy from the municipal office during office hours at a prescribed cost per copy.

17.2.4 Property owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice.

17.2.5 Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.

17. FURNISHING OF ACCOUNTS

18.1 The Municipality will furnish each person liable for the payment of a rate with a written account, specifying: -

18.1.1 the amount due for rates payable;

18.1.2 the date on or before which the amount is payable;

18.1.3 how the amount was calculated;

18.1.4 the market value of the property; and

18.1.5 exemptions, reductions and rebates or the phasing-in of rates, if applicable.

18.2 A person liable for the payment of rates remains liable for payment, whether or not that person has received a written account from the Municipality. Inquiries must be addressed to the Municipality by such a person who has not received a written account.

18.3 In the case of joint ownership the Municipality will, upon request, furnish written accounts to one or more individual owners.



18.4 In the case of joint ownership the Municipality may, in order to limit costs and prevent unnecessary administration, recover the rates continuously from one of the joint owners.

19. PAYMENT OF RATES

19.1 Council may claim the payment of rates: -

19.1.1 on a monthly basis; or

19.1.2 annually before 20 September of each year.

19.2 Rate payers may choose to pay rates in one instalment annually on or before 20 September of each year. The property owner subject to rates must notify the municipal manager or his/her nominee by no later than 30 June in any financial year, or such later date in the financial year as determined by the Municipality, that he/she wishes to pay all rates in respect of such a property in annual instalments, after which such an owner shall be entitled to pay all rates in the subsequent financial year and all subsequent financial years annually until he/she withdraws this notice in similar manner.

19.3 If a rate is payable: -

19.3.1 in a single amount annually, it must be paid on or before a date determined by the Municipality.

19.3.2 in instalments, it must be paid on or before a date in each period determined by the Municipality.

19.4 Interest on rates in arrear, whether paid annually or in equal monthly instalments, shall be calculated in accordance with the provisions of the Municipality's policy on credit control and debt collection.

19.5 If a property owner who in terms of this policy is liable for the payment of property rates fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Municipality's by-law on credit control and debt collection.

19.6 Rates in arrear shall be recovered from tenants, occupiers and agents for the owner in terms of section 28 and 29 of the Act and the Municipality's policy on credit control and debt collection.

19.7 In the event of rates levied emanating from a supplementary valuation, payment thereof will be according to the date determined by the Municipality and payment thereof may not be withheld pending an objection or appeal as determined by section 78(2) of the Act.

19.8 In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the owner on date of the levy will be held responsible for the settlement of the interim rates account.

19.9 Where the rates on a specific property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned, or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be adjusted retrospectively for the period of the date on which the error or omission is detected, back to the date on which rates were first levied in terms of the current valuation roll.



19.10 Where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

19.12 Rates Clearance Certificates:-

19.12.1 Will be valid for up to 60 days;

19.12.2 No extension on a certificate will be granted. If it expires a new application for clearance must be made;

19.12.3 If the valid period surpasses 30 June, the total annual debit for the following financial year will be payable; and

19.12.4 Outstanding services and taxes on properties may only be recovered for a maximum period of two years.

19.12.5 Once the property is transferred to the new owner, rates and service charges will be levied on the new owner from the month following date of registration.

20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

20.1 In circumstances where a valuation has been carried out by the municipal valuer in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result, for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in a SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event which caused a SV to be required.

20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property(ies) in a SV, then:-

20.2.1 The municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a SV; and

20.2.2 The valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 15 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the MPRA.

21. FREQUENCY OF VALUATIONS

21.1 The Municipality shall prepare a new valuation roll at least every five (5) years in accordance with section 19 of the Amendment Act.



21.2 In accordance with the Act the Municipality, under exceptional circumstances, may request the MEC for Local Government and Housing, to extend the validity of the valuation roll to seven (7) years in accordance with section 19 of the Amendment Act..

21.3 Supplementary valuations shall be done on a continual basis, but at least on an annual basis, in order to ensure that the valuation roll is maintained.

22. SHORT TITLE

This policy is the Property Rates Policy of the Bela Bela Municipality.

23. REVIEW PROCESSES

The Property Rates Policy must be reviewed on an annual basis to ensure that it complies with the strategic objectives of the Municipality, as stipulated in the Integrated Development Plan and other applicable legislation.

24. IMPLEMENTATION

This policy comes into effect on 1 July 2025 upon approval by municipal council.