



UMSINGA MUNICIPALITY

RESOLUTION LEVYING PROPERTY RATES IN TERMS OF SECTION 14 OF THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004. (ACT NO.6 of 2004).

Notice No.

Date: 23/06/2021

UMSINGA LOCAL MUNICIPALITY

RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY 2021 TO 30 JUNE 2022

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004; that at its meeting of 26/05/2021, the Council resolved by way of Council Resolution number 17/202 FC, to levy the rates on properties reflected in the schedule below with effect from 1 July 2021.

Category of Property	Ratio	Cent amount in the Rand rate determined for the relevant property category
Agricultural Properties	0.25	0.0035
Business and Commercial Properties	2.00	0.0282
Communal Properties	1.00	0.0141
Industrial Properties	2.00	0.0282
Municipal Properties	0.0	0.00
Place of Worship	0.0	0.00
Public Benefit Organisation Properties	0.25	0.0035
Public Service Infrastructure Properties	0.25	0.0035
Public Service Purpose Properties	2.20	0.0310

Residential Properties	1:1	0.0141
Vacant Land	2:00	0.0282

EXEMPTIONS, REDUCTIONS AND REBATES

1. Residential Properties

For all residential properties, the municipality will not levy a rate on the first **R55000-00** of the Property's market Value. The **R55 000-00** is inclusive of **R15 000-00** statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in Respect of a category of owners of property are as follows (Extracted from Rates Policy)

- 9.1** The municipality has considered the need and desire to grant relief to specific categories of owners of properties and owners of specific categories of properties with a view to providing appropriate measures to alleviate the rates burden on them. The Municipality therefore grants Exemptions, Rebates and Reductions, on categories of owners, based on local conditions and circumstances. No category of owner shall qualify for multiple rebates.
- 9.2** The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:
- 9.2.1** A specified category of property; or
- 9.2.2** A specified category of owner of property as provided for hereunder.
- 9.3** The municipality will not grant relief to the owners of property on an *ad hoc* or individual basis. For the purposes of rates policy, the Municipality has determined the following **categories of owners (of property)** COOP with criteria for relief measures included under Part 10 –
1. Indigent Owner
 2. Pensioner Owner
 3. Child Headed Household
 4. Property owned by public benefit organisation

5. Owners of properties affected by a disaster or other serious adverse social or economic conditions
6. Owner of a nature reserve / conservation area / national heritage property
7. Developer who owns property within the municipality
8. Owner of Bed and Breakfast, guest houses and back packer lodge
9. Owner of residential property
10. Owner of Communal Property as defined in the rates policy
11. Land Reform Beneficiary Owner
12. Business or Industrial owner with a lease on Ingonyama Trust owned land

PART TEN: CRITERIA FOR GRANTING RELIEF MEASURES FOR CATEGORIES OF OWNERS OF PROPERTY.

The municipality has identified the following use categories of properties and the requisite criteria for the purposes of granting exemptions, rebates or reductions to the owners of these categories of property in terms of section 15 of the Act:

10.1 Indigent Owners	
10.1.1 Criteria	In order to qualify as an indigent owner, the owner must:
(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
(b)	Live permanently on the property;
(c)	Not own any other property within the municipality;
(d)	Have an income threshold of R3200-00 as defined in the Indigent Policy and be listed in the Indigent Register;
(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
10.1.2 Relief Granted	Exempted from paying Property Rates to qualifying applicants

10.2 Pensioner Owners	
10.2.1 – Criteria	In order to qualify as a pensioner owner, the owner must:
(a)	Be at least 60 years of age;
(b)	For a residential category of property be the sole owner of the property or own the property jointly with his/her spouse;
(c)	Not be granted more than one pensioner rebate at a time;
(d)	Live permanently on the property;
(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
10.2.2 – Relief Granted	Reduction in the market value of the property: R100,000

10.3 Child-Headed Households	
10.3.1 Criteria	A household may be recognized as a child-headed household if it is deemed to fit the definition as contained at the beginning of this policy, and the owner must - (a) Live permanently on the property; (b) Not own any other property within the municipality; (c) Make a written application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.
10.3.2 Relief Granted	Exempted from paying Property Rates to qualifying applicants

10.4 Properties Owned by Public Benefit Organizations (PBO)	
10.4.1 Criteria	In order to qualify owners shall be registered as a Public Benefit Activities as listed in Part 1 of the 9 th Schedule to the Income Tax Act and must - (a) Make application in writing annually in the prescribed format; (b) Provide proof of ownership of the property and registration as a Public Benefit Organization in terms of the Income Tax Act conducting one or more of the following specified public benefit activities listed in Part 1 of the 9 th Schedule: <ul style="list-style-type: none"> • welfare and humanitarian; or • health care; or • education. (c) Owners of property meeting the criteria shall pay the PBO category of property tariff as published annually.
10.4.2 Relief Granted	The PBO tariff would comply with prescribed ratios.

Note: It is noted that this position is motivated by the need for non-profit organizations who are not registered in terms of the 9th schedule, Income Tax Act, to register with SARS in order to be eligible for rates relief.

10.5 Owners of properties affected by a disaster or other serious adverse social or economic conditions

<p>10.5.1 Criteria</p>	<p>The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of his/her property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by -</p> <table border="1" data-bbox="1209 606 1926 1441"> <tr> <td data-bbox="1579 606 1691 710">(a)</td> <td data-bbox="1579 710 1691 1441">A disaster within the meaning of the Disaster Management Act (57 of 2002); or</td> </tr> <tr> <td data-bbox="1433 606 1579 710">(b)</td> <td data-bbox="1433 710 1579 1441">Any other serious adverse social or economic conditions as may be defined and determined by the Council.</td> </tr> <tr> <td data-bbox="1209 606 1433 710">(c)</td> <td data-bbox="1209 710 1433 1441">To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.</td> </tr> </table>		(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002); or	(b)	Any other serious adverse social or economic conditions as may be defined and determined by the Council.	(c)	To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.
(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002); or							
(b)	Any other serious adverse social or economic conditions as may be defined and determined by the Council.							
(c)	To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.							
<p>10.5.2 Relief Granted</p>	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the Municipal Valuer, effective from the date of the disaster.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p>							

10.6 Owners of nature reserves / conservation areas / national heritage property	
10.6.1 – Criteria	<p>Owners of Nature Reserves, Conservation areas and National Heritage property which are proclaimed in terms of National legislation can qualify for a rates concession, subject to an application and evidence being submitted by the owner and on approval by the municipality. (Protected Areas)</p>
(a)	Existing and Newly Proclaimed Nature Reserves / Conservation areas / National Heritage Property may qualify for a concession upon application and production of the relevant evidence of Proclamation by the owner.
(b)	Nature Reserves/ conservation areas not Proclaimed and without evidence of Proclamation as aforesaid, shall be categorised and rated as vacant land or agricultural property based on the definitions and at the discretion and determination of the municipal valuer.
(c)	The applicant must attach evidence and information in support of their application claiming Nature reserve or conservation status.
(d)	<p>An area within a municipality may also be classified as a nature reserve, conservation area or heritage property for the purpose of rating if on application by the owner –</p> <ul style="list-style-type: none"> i) The municipality considers that the areas is environmentally sensitive and of significant importance; ii) The land is zoned for conservation purposes or an environmental servitude has been registered in favour of the Municipality over the environmentally sensitive area, and; iii) The landowner, with the assistance of the Municipality, prepares and implements an approved management plan aimed at protecting and improving the local environment.
(e)	<p>In cases where a Nature reserve, Conservation area or heritage property is developed and is used for more than one purpose the municipal valuer will apply the multiple purpose use approach in terms of sections 9 (1) (c), 8 (2) (i) and apportion the different use values in terms section 9 (2) of the Act.</p>
10.6.2 – Relief Granted	<p>Rates exemption over whole or portion of the property</p>

10.7 Developers who own property within the municipality

<p>10.7.1 – Criteria</p>	<p>In order to stimulate Development in certain key development nodes of the municipality, which are identified and defined by the municipality's approved Economic Spatial Plan, Developers shall be afforded a rebate, as approved by Council at its annual budget, subject to the following criteria -</p> <p>(a) The development must fall within a development node approved by Council and must be Council approved investment development;</p> <p>(b) The developer must register the development for the rebate at least (four months) prior to the submission of building plans to the Planning and Development Department;</p> <p>(c) The rebate will apply to the development land only;</p> <p>(d) The developer must submit a report at the end of the Municipal financial year indicating the progress of development;</p> <p>(e) The rebate –</p> <p>a) shall be limited to three years from the date the development plan is approved,</p> <p>b) shall only apply to the development land owned by the developer in accordance with the applicable rates account on which plans have been approved by the municipality</p> <p>c) excludes bulk services development.</p> <p>(f) Major national projects undertaken by the State or organ of State may be granted a rebate as determined by the Council.</p>	
<p>10.7.2 Rebate Granted</p>	<p>Percentage Rebate: 40%</p>	

10.8 Bed and Breakfast, guest houses and back packer lodges

<p>10.8.1 – Criteria</p>	<p>On Application, Bed and Breakfast, Guesthouse establishments, and Back-packers lodges may receive a rebate as determined by Council at its annual budget. All other accommodation establishments operating as a business will not qualify for a rebate.</p>	
<p>(a) For the types listed an annual application must be made by 30 April preceding the start of the new financial year for which relief is sought.</p>		
<p>(c) A Bed & Breakfast / Guesthouse / Back-packer lodge must be registered with Tourism KwaZulu – Natal and a local Community Tourism Organisation (CTO). In the absence of a CTO, then the establishment must be registered with a recognised Tourism Industry body;</p>		
<p>(d) A Bed & Breakfast / Guesthouse / Back-packer lodge must offer accommodation facilities and dining facilities only to registered guests. Establishments that in addition, offer conferencing, spa's, hair salons etc. will not qualify;</p>		
<p>(e) For the types listed the applicant must provide details of the establishment in respect of total size of developed property, total number of rooms, and facilities available;</p>		
<p>(f) To qualify the use and improvements must be legally approved by the municipality.</p>		
<p>10.8.2 – Rebate Granted</p>	<p>Percentage Rebate: 25% Rebate on the Rates Payable.</p>	

<p>10.9 Residential Properties with a Market Value Below a Prescribed Municipal Valuation Threshold</p>	
<p>10.9.1 Criteria</p>	<p>It is recorded that in terms of section 17(1)(h) of the Act that the levying of rates on the first R15,000 of the market value of a residential property is impermissible.</p> <p>The municipality can adopt a further discretionary value reduction in addition to the mandatory R15,000 for all residential category of property. The total value reduction for all residential category of property adopted by the municipality, is known as the threshold value. Rates are exempted up to the threshold value amount which is determined annually through the municipal budgetary process. The threshold amount of R55 000-00 was declared in 2021.2022 Financial year.</p>
<p>10.9.2 Relief Granted</p>	<p>The owner of a property in meeting the above criteria is exempted from the payment of rates on the threshold value determined by the Council in terms of its annual budget adopted.</p> <p>R55 000-00 = 15 000-00 + R40 000-00</p>

10.10 Owners of Communal property as defined in the rates policy

10.10.1 – Criteria

The owner/s of Communal property may qualify for a rates rebate, subject to completing and applying for assessment and approval by the municipality.

(a) The owner must annually make application to the municipality by 31 July for the rates rebate consideration.

(b) The application must be signed by the owner or if there is more than one owner or owned by company or trust, signed by the authorised representative which must accompany a resolution authorising the representative to sign on behalf of the entity.

(c) Additional information may be required by the municipality in support of the application as determined by the municipality pertaining to property rights and use/s of the communal property if the property is used for more than one purpose.

(d) The communal property owner may be required to submit a building development management strategy to support compliance with municipal by-laws, regulations and legislation.

(e) In cases where the communal property is used for more than one purpose, rates will be determined subject to sections 8(2)(i) and 9 (1) (c) read with the rates policy, based on the apportioned values of the different uses in terms section 9 (2) of the Act.

10.10.2 – Relief Granted

Percentage Rebate – 100%

10.11 Land Reform Beneficiary Owner

10.11.1 Criteria	
In order to qualify as a land reform beneficiary, the owner must:	
(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
(b)	Live permanently on the property;
(c)	Not own any other property within the municipality;
(d)	Comply with the definition of land reform beneficiary and provide all necessary proof of ownership in terms the MPPRA and legislation for recognition;
(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
10.11.2 Relief Granted	Fully exempted to qualifying applicants
	Governed by legislative relief - section 17(1)(g) of the Act. Rates will become liable and levied in accordance with the legislation.

10.12 Business and industrial land used with a lease on Ingonyama Trust (IT) owned land

10.12.1 Criteria	
In order to qualify for a rebate as a business owner with a lease on IT owned land the following criteria is applicable:	
(a)	Must have a valid lease agreement with the Ingonyama Trust Board signed by the parties and submit a copy to the municipality. The lease is for any land that is subject to an agreement of lease for a period in excess of 10 years, which is registered with the Ingonyama Trust Board;
(b)	The applicant must provide proof of payment for the lease rental to Ingonyama Trust;
(c)	The buildings and land used for the business or industry must be approved by the municipality;
(d)	The category of property will be recognised as Business and Commercial or Industrial as the case may be;
(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
10.12.2 Relief Granted	Rebate – 25%

The above rates relief application criteria for categories of owner of property shall be subject to the following conditions –

- (i) All applications for relief must be in writing in the formal application letter of prescribed form of the municipality and must reach the Municipality in accordance with the rates policy criteria and adopted council budget resolutions for the year of rates implementation;
- (ii) The Municipal Manager or his/her nominee must process and approve compliant applications;
- (iii) The Municipality retains the right to refuse a rebate, reduction or exemption if the details supplied on the application form are incomplete, incorrect or false;
- (iv) Where applicable for relief the use of any land or buildings, or any part thereof, shall not be for the private pecuniary benefit of any individual, whether as a shareholder in a company or otherwise;
- (v) Where applicable for relief, if during the currency of any financial year, any such land or building is used for any purpose other than the purpose for which it was so exempted or relief granted, the Municipality shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use; and
- (vi) Once the Application is granted, the Applicant is required to submit annually, an affidavit confirming the use or ownership of the property as the case may be.

PART SEVENTEEN: NEWLY RATED PROPERTY

17.1 Any property which has not previously been rated must be phased in over a period of three financial years subject to the condition that:

17.1.1 property registered in the name of a land reform beneficiary must be phased in after the exclusion period referred to in section 17(1)(g) of the Act;

17.1.2 The phasing in period shall be as set out in the following table:

Applicable rates for newly rateable properties to be phased in over three years

Year	Percentage Rates Payable
First	25%
Second	50%

Third	75%
-------	-----

Full details contained in the Rates Policy is available on the Municipal Offices, Municipal Website www.umsinga.gov.za and also in soft copies.



NAME : SL SOKHELA
DESIGNATION : MUNICIPAL MANAGER
PRIVATE BAG X530
TUGELA FERRY
3010
TEL :033 493 8000
FAX :033 493 0766
EMAIL : senzo.sokhela@umsinga.gov.