

CITY OF JOHANNESBURG

PROPERTY RATES BY-LAWS 2018/2019

The City Manager of the City of Johannesburg Metropolitan Municipality, in terms of section 156(2) of the Constitution, 1996, read with section 11(3)(m) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), and section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), hereby publishes the Property Rates By-laws for the City of Johannesburg Metropolitan Municipality as approved by its Council as set out hereunder.

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1 INTERPRETATION

- (1) In these By-laws, any word or expression to which a meaning has been assigned in the Act and the Policy bears that meaning and, unless the context otherwise indicates –

“the Act” means the Local Government: Municipal Property Rates Act 6 of 2004;

“category” (a) in relation to property, means a category of property contemplated in section 7 of these By-laws; and
(b) in relation to owners of property, means a category of owners of property contemplated in section 8 of these By-laws;

“exemption” in relation to the payment of a rate, means an exemption granted in terms of section 9 of these By-laws;

“rate” means a municipal rate on property envisaged in section 229(1)(a) of the Constitution, 1996;

“rebate” in relation to a rate payable on property, means a discount in the amount of the rate payable on the property granted in terms of section 9 of these By-laws;

“reduction” in relation to a rate payable on property, means a reduction in the amount of the rate payable on the property granted in terms of section 9 of these By-laws;

“the/its Policy” means the Property Rates Policy adopted by the Council in terms of Section 3(1) of the Act.

- (2) Any word or expression –
- (a) imparting any gender or the neuter includes both genders and the neuter, or
 - (b) imparting the singular only also includes the plural and vice versa,
- unless the context otherwise indicates.

2. ADOPTION OF BY-LAWS

- (1) These By-laws are adopted in terms of section 6 of the Act to give effect to the implementation of the Policy.
- (2) The Council must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend its Policy. Proposals for reviewing its Policy must be considered by the Council in conjunction with its annual operating budget.
- (3) The Policy is hereby incorporated by reference in the By-laws. All amendments to the Policy as the Council may approve from time to time shall deemed to be likewise incorporated.
- (4) These By-laws ascribe to the objectives set out in paragraph 4 of the Policy.

3. RATING OF PROPERTY

In terms of Section 2(3) of the Act, the Council may levy rates on property subject to:

- (1) Section 229 and any other applicable provisions of the Constitution of the Republic of South Africa, 1996;
- (2) The provisions of the Act;
- (3) The Policy; and
- (4) These By-laws.

4. GENERAL PRINCIPLES

- (1) These By-laws must be read in conjunction with the provisions of:
 - (a) any applicable Town Planning Scheme;
 - (b) the Town Planning and Townships Ordinance 25 of 1965;
 - (c) the Town Planning and Townships Ordinance 15 of 1986;
 - (d) any other legislation pertaining to the use of property; and
 - (e) any applicable policy of the Council.
- 2) The Policy must ensure equitable treatment by the Council in the levying of rates on property owners, including owners under sectional title as contemplated in the Sectional Titles Act, as well as other persons who may become liable for the payment of rates.
- (3) 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, as contemplated in Chapters 6 and 8, respectively, of the Act.
- (4) Different rates may be levied for different categories of property.
- (5) The Council may, in terms of section 22 of the Act, levy an additional rate on property in a special rating area and, in doing so, may differentiate between categories of property;
- (6) Relief measures in respect of payment for rates will not be granted to any category of property or owners on an individual basis, other than by way of exemption, rebate or reduction.
- (7) Where the rates levied on a property are based on a supplementary valuation made in terms of section 78(1) of the Act, such rate will be payable from the date contemplated in section 78(4) of the Act.

- (8) The Council shall specify a threshold at which rating in respect of residential properties may commence as provided for in section 15(1)(a) of the Act, which it is hereby authorised to do.

5. ANNUAL OPERATING BUDGET

- (1) The Council must consider the levying of rates annually during the budget process referred to in section 12(2) of the Act. Rates will be based on the market value of all rateable property and the amount required by the Council to balance its annual operating budget.
- (2) Rate increases must be used to finance the increase in operating costs of municipal services and facilities.
- (3) The Policy must set out the criteria to be applied when determining the level of increases in rates.

6. DIFFERENTIAL RATING

The Council levies different rates for different categories of rateable property in terms of section 8 of the Act. All rateable property will be classified in a category and will be rated based on the category of the property from the valuation roll which is based on the primary permitted use of the property, unless otherwise stated.

7. CATEGORIES OF PROPERTY FOR PURPOSES OF DIFFERENTIAL RATES

The Policy must, for purposes of levying differential rates, provide for different categories of property, which may include, but are not limited to, the following:

- (a) Business and Commercial**
- (b) Sectional Title Business**
- (c) Sectional Title Residential**
- (d) Sectional Title Other**
- (e) Residential Property**
- (f) Residential with consent use**
- (g) Municipal**
- (h) State**
- (i) Farming**
- (j) Public Service Infrastructure**
- (k) Agricultural Business**
- (l) Agricultural Residential**
- (m) Agricultural other**
- (n) Vacant Land**
- (o) Mining**
- (p) Education**
- (q) Religious**
- (r) Public Service Infrastructure-Private**
- (s) Private open space**
- (t) Public open space**
- (u) Public Benefit**
- (v) Multipurpose Residential**
- (w) Multipurpose Business**
- (x) Re of a township**

Penalty Tariff

- a) Unauthorised use**

8. CATEGORIES OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES

The City will not levy a rate on the first part of the value up to R200 000 of the market value as per the Valuation Roll:

- on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
- on the balance of the market value up to R185 000 in terms of section 15 of the Act in respect of residential properties, provided that the Council may from time to time during its annual budget process contemplated in section 12 (2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.

The Policy must, for purposes of exemptions, reductions and rebates, provide for different categories of ownership, which may include, but are not limited to, the following:

(1) Owners dependent on social assistance

- (a) This category consists of residential properties owned and occupied by persons who are dependent on social assistance in terms of the Social Assistance Act, 59 of 1992, as their sole source of income.
- (b) The owner must apply every six months for the Council's approval for extended social package on a form prescribed by the Council, accompanied by such proof as the Council may reasonably require substantiating any entitlement to a rebate contemplated in this category.
- (c) The conditions are as follows:

- (i) The owners must own and occupy the property concerned;
 - (ii) The owners must achieve a score on the City of Johannesburg Poverty Index as set out below.
 - (iii) The value of the property may not exceed R500 000.
- (d) The extent of the rebate will depend on the applicant's score on the City of Johannesburg Poverty Index:
- greater than zero but not exceeding 34 points:70% of the current monthly rate;
 - greater than 35 points :100% of the current monthly rate.

(2) Owners dependent on pensions

- (a) This category consists of residential properties owned and occupied by pensioners who are not persons contemplated in paragraph (2) above.
- (b) The conditions for this rebate are as follows:
 - (i) The owner must have reached the age of 60 years;
 - (ii) The owner must own and occupy the property;
 - (iii) The value of the property may not exceed R2 500 000;
 - (iv) This category also applies to property owners who have become pensioners due to injury;
 - (v) An owner of a property in this category, must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by his/her most recent income tax assessment issued by the South African Revenue Service or other proof of income acceptable to the Council;

- (vi) A rebate shall be granted for a maximum duration of the Valuation roll provided that:
 - (aa) it shall be necessary to reapply if the status of the beneficiary changes within the period; and
 - (bb) the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate.
 - (vii) No retrospective rebates will be granted.
 - (viii) Application shall be made prior to the expiry of the validity period of any existing rebate.
 - (ix) A new application must be made after a beneficiary has reached the age of sixty years.
- (c) The rebate shall be as follows:
- (i) If a pensioner receives a National Security Grant, he/she qualifies for a 100% rebate.
 - (ii) If a pensioner, age 70 and above, he/she qualifies for a 100%, irrespective of income.
 - (iii) If a pensioner has a gross monthly income below R9 244, he/she qualifies for a 100% rebate, provided the pensioner is at least 60 years of age.
 - (iv) If a pensioner has a gross monthly income above R9 244 but less than R15 846, he/she qualifies for a 50% rebate, provided the pensioner is at least 60 years of age.

(3) Owners dependent on pensions

(a) This category consists of residential properties owned and occupied by person who has become a pensioner because of injury on duty.

(b) The conditions for this rebate are as follows:

(i) The owner must have been injured on duty serving in the following services

- a. South African National defence force
- b. South African Policy Service
- c. Emergency services
- d. Johannesburg Metropolitan Policy

(ii) The owner must own and occupy the property;

(iii) The value of the property may not exceed R2 500 000;

(iv) An owner of a property in this category, must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by the following documents:

(aa) confirmation from the employer that he or she was injured on duty and due to the injuries he or she can no longer serve in any capacity;

(bb) medical records that confirms the injuries;

(cc) proof of current income.

(v) A rebate shall be granted for a maximum duration of the Valuation roll provided that:

(aa) It shall be necessary to reapply if the status of the beneficiary changes within the period;

- (bb) the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate;
- (vi) No retrospective rebates will be granted.
- (i) Application shall be made prior to the expiry of the validity period of any existing rebate.
- (ii) A new application must be made after a beneficiary has reached the age of sixty years.
- (c) The rebate shall be as follows:
- If a pensioner receives a National Security Grant, he/she qualifies for 100% rebate.
 - If a pensioner, age 70 and above, he/she qualifies for a 100%, irrespective of income.
 - If a pensioner has a gross monthly income below R9 244 he/she qualifies for a 100% rebate, provided the pensioner is at least 60 years of age.
 - If a pensioner has a gross monthly income above R9 244 but less than R15 846, he/she qualifies for a 50% rebate, provided the pensioner is at least 60 years of age.

(4) Persons temporarily without income

- (a) This category comprises residential properties owned and occupied by natural persons temporarily without income as contemplated in section 15(2)(c) of the Act.
- (b) The conditions applicable to this category are as follows:
- (i) The owner must apply monthly for the Council's approval for a rebate on a form prescribed by the Council, accompanied by such

proof as the Council may reasonably require to substantiate any entitlement to a rebate contemplated in this category;

- (ii) The rebate contemplated shall be granted on a monthly basis and shall be subject to such limitations as the Council may determine from time to time.

(5) Heritage properties

- (a) This category comprises property:
 - (i) declared as heritage sites in terms of Section 27 of the National Heritage Resources Act, 25 of 1999;
 - (ii) designated as protected areas in terms of section 28 of the National Heritage Resources Act; and
 - (iii) designated as heritage areas in terms of section 31 of the National Heritage Resources Act;
- (b) The conditions relating to this category are:
 - (i) Application for a rebate must be made annually on a form prescribed by the Council.
 - (ii) The rebate contemplated in this category shall be subject to any limitations that may be placed on financial incentives for the conservation of heritage resources in terms of section 43 of the National Heritage Resources Act;
- (c) The rebate shall be a maximum of 20% of the current monthly rates.

(6) High Density rebate

- (a) This category consists of properties that are developed with minimum density of 80 dwelling units per hectare, including sectional title units.

- (b) A rebate of 5% of the current monthly rates will be applied.

(7) Protection of animals

- (a) This category comprises property registered in the name of any institution or organisation which has as its exclusive objective the protection of animals.
- (b) A maximum of 100% of the current monthly rates will apply.
- (c) Property owner must apply for this rebate/exemption.

(8) Disaster areas

- (a) The category consists of property situated within an area affected by a disaster within the meaning of the Disaster Management Act 57 of 2002;
- (b) The applicable requirements are as follows:
 - (i) The owner of the property must apply to the Council for a rebate on a prescribed form, accompanied by such proof as the Council may reasonably require to substantiate the application; and
 - (ii) the rebate shall be subject to such duration and limitations as the Council may determine in relation to a specific disaster or event.
- (c) The rebate shall be a maximum of 100% of the current monthly rates.

(9) Vacant land

- (a) This category comprises land outside the urban development boundary which is vacant.
- (b) The applicable requirements are:
 - (i) The owner of the property must apply in writing to the Council for a rebate.
 - (ii) The rebate is only available if the property could not be developed as a result of the unavailability of bulk infrastructure and/or bulk services for the duration of the Council's ensuing financial year.
 - (iii) A letter to this effect from the Department Development Planning, Joburg Water and City Power or its delegate, must accompany the application.
- (c) The rebate is a maximum of 50% of the current monthly rates.

(10) Housing Development Schemes for Retired Persons

- (a) This category consists of properties owned by juristic persons that fall under the Housing Development Schemes for Retired Persons Act, 65 of 1988, as amended.
- (b)
 - (i) It is required that the owner of property shall pass on the benefit of the rates rebate to the registered holder/s of a right of occupation in the Scheme.
 - (ii) if the owner fails to pass the benefit of the rates rebate on to the registered holder/s, the Council may apply the full rating with retrospective effect to the date of commencement of the rebate.
 - (iii) The rebate shall be a maximum of 50% of the current monthly rates.

(11) Registered Social Landlords

- (a) The category comprises properties owned by individuals or entities designated as Registered Social Landlords under the Registered Social Landlord Policy of the City.
- (b) The requirements are as follows: The property must comply with the conditions contained in the Registered Social Landlord Policy.
- (c) The rebate is as follows:
 - (i) 40% of the current monthly rates where the property is zoned for commercial use and is rated accordingly.
 - (ii) If a Public Benefit Organisation, registered as a non profit organisation in terms of Section 30 of the Income Tax Act, provides services on a property which meet the requirements of welfare and humanitarian services as defined in the Schedule of the Act and is designated as a registered social landlord, the rate applicable to a Public Benefit Organisation shall apply.

(12) Child Headed Households

- (a) This category comprises properties owned as specified below, which are occupied by a household headed by a minor.
- (b) The requirements are as follows:
 - (i) The property is worth not more than R2, 500 000.00;
 - (ii) The property must be owned by a terminally ill parent or the child or deceased estate of the parent;

(iii) The terminally ill parent or his or her children must annually apply for the rebate. The application must be accompanied by:

(aa) confirmation from the Social worker appointed by Council that has investigated the minors of the household and found that the permanent occupants are minors and the household is headed by a minor;

(bb) if the parent is deceased,

- a copy of the Letter of Executorship of administration of the deceased estate;
- a copy of the liquidation and distribution account showing transfer of the property to the minor;
- the death certificate of the parent;

(cc) if the parent is terminally ill, a certified copy of a medical report confirming his/her status;

(dd) birth certificates of all minors residing on the property.

(iii) The rebate will lapse:

(aa) when the child head of the household reaches the age of majority;

(bb) on alienation of the property;

(cc) when the child head of the household ceases to reside permanently on the property;

(dd) when the Department of Social Development no longer regards the household as being child headed; or

(ee) when applications are not submitted annually (late applications may be reinstated with effect from the next practical billing cycle).

(c) The applicable rate shall be a maximum of 100% of the current monthly rates.

Rebates shall be prioritised and calculated in the following manner:

i Where a heritage site rebate is applicable to any particular category of ownership, such heritage site rebate will take precedence over the remaining rebates.

ii. A remaining rebate will be calculated on the balance of rates payable after deduction of the heritage site rebate.

iii. A High density rebate will rank second in order of precedence after the heritage site rebate has been applied.

The granting of rebates shall not allow a total rebate in excess of 100%.

The Council may, notwithstanding the extent of any rebate granted, resolve that all rateable property, including properties in respect of which 100% rebates are granted, shall be subject to the payment of such minimum property rate as the Council may determine from time to time during its annual budget process contemplated in section 12(2) of the Act.

9. CERTIFICATE OF OCCUPANCY

Prior to a residential property being eligible for a residential rate or a rebate, a Certificate of Occupancy must have been issued in respect thereof by the relevant Council Department concerned.

10. LIABILITY FOR AND RECOVERY OF RATES

(1) Rates-

(a) which are recovered by the Council on a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer.

(b) are payable in full on or before the due date and interest will be charged on rates that are in arrears.

(2) The Policy must make provision for the recovery of rates, under appropriate circumstances, from:

(a) Ratepayers who did not receive accounts;

(b) Joint property owners;

(c) Tenants of property; and

(d) Ratepayers that intend to dispose of property.

11. PUBLICATION OF RESOLUTIONS LEVYING RATES

The Rates Policy must set out the procedure to be followed in the consideration of any objections or comments received pursuant to the publication of any resolutions of the Council regarding the levying of rates.

12. DEALING WITH APPLICATIONS

The Council must consider every application in terms of the Policy within a reasonable time and may approve the application, subject to such conditions as the Council may deem appropriate under the circumstances, or refuse it.

13. ENFORCEMENT OF BY-LAWS AND POLICY

These By-laws and the Policy shall, to the extent necessary, be enforced through the Credit Control and Debt Collection Policy and By-laws of the City and/or any other applicable mechanism.

14. SHORT TITLE AND COMMENCEMENT

These By-laws are called the Property Rates By-laws and shall come into effect on 1 July 2018.