

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

5 DRAFT 2020/2021 PROPERTY RATES POLICY AND RATES BY-LAW

1 STRATEGIC THRUST

The City identified nine (9) Priority Areas that the SDBIP, IDP and budget aim to achieve. The applicable Priorities for this Report are:

- Priority 3: Create a culture of enhanced service delivery with pride and dignity; and
- Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses.
- Priority 7: Financial Sustainability.

2 OBJECTIVE

The objective of this report is to:

- Report to Council on the submissions and inputs received during the Rates Policy Review public participation meetings.
- Request Council's approval to engage the public on the 2020/2021 tabled Draft Rates Policy (Annexure A) and 2020/2021 Draft Policy By-laws (Annexure B).

3 SUMMARY

The City of Johannesburg, governed by the Local Government: Municipal Property Rates Act 6 of 2004 (Act) (MPRA) as amended, implemented the Policy on 1st July 2008. The Policy guides the property rating process within the City of Johannesburg.

Municipal Property Rates act requires the City to annually review its Policy. The Policy has been reviewed annually since its inception in 2008. The City is once more reviewing its Policy as required in terms of the Act.

(1) Public Participation

The Policy review process requires public participation. Councilors briefing was held on the 30 January 2020.

Subsequent to that, community consultation meetings followed. The process has two phases. The first phase of public meetings started on 14 January and ended on 11 March 2020. Phase two will commence on 24 March together with all other budgeting processes of the City. Property owners were invited to comment on the current Policy, 2019/20 Policy, so as to allow the City to consider their inputs when drafting the new Policy.

5.2

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

City scheduled 30 community meetings in all the regions. Business breakfast was also hosted to give business community the opportunity to make inputs and submission to the Rates Policy. The meeting for Lenasia Sports ground was cancelled due the venue not having electricity. The table below indicates all the venues where public participation meetings were held except for Lenasia South Sports ground.

Region A	Date	Time
Midrand Fire Station Cnr First Street and Smuts Street Midrand	14 January 2019	18:00-20:00
Rabie Ridge Community Centre (Next to SAPS) 03 Korhaan Street Rabie Ridge	15 January 2019	18:00-20:00
Rivonia Recreational club 47 Achter Rd Paulshof Sandton	16 January 2019	18:00-20:00
Region D		
Jabulani Civic Centre No 1 Koma Road Jabulani	21 January 2019	18:00-20:00
Dhlamini hall Koma Road Soweto	22 January 2019	18:00-20:00
Diepkloof Hall Corner Immink and Eben Cuyler Drive, Diepkloof	23 January 2019	18:00-20:00
Protea Glen library Milkwood Street Protea Glen Ext 2 Soweto	26 January 2019	10:00-12:00
Region E	Date	Time
Sandton offices (Daisy offices) 137 Daisy Street Sandton	28 January 2019	18:00-20:00
Marlboro Community Hall Cnr Zinia and Islamabad Road Marlboro	29 January 2019	18:00-20:00
Norscot Manor Recreational Centre 6B Penguin Drive Norscot Fourways	30 January 2019	18:00-20:00
Jabula Recreation Centre Cnr. Anne Str and Athlone Avenue Sandringham	31 January 2019	18:00-20:00

5.3

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Region C	Date	Time
Roodepoort Civic Centre 100 Christiaan De Wet Road Florida Park	4 February 2019	18:00-20:00
Cosmo City MPCC Angola Drive Cosmo City	5 February 2019	18:00-20:00
Braamfisher MPCC Lorieblaar Ave Braamfisherville	6 February 2019	18:00-20:00
Region B		
Marks Park Pavillion Hall Judith Road Emmarentia	7 February 2019	18:00-20:00
Dannie Van Zyl Recreation Centre Cnr Rex & Plantation Avenue Claremont	9 February 2019	10:00-12:00
Region G		
Ennerdale Civic Centre Corner Katz and Smit Street Ennerdale	11 February 2019	18:00-20:00
Don Matteman Civic Centre Line Road Eldorado Park Ext 5	12 February 2019	18:00-20:00
Lenasia Civic Centre No 1 Rose Avenue Lenasia Ext 1	13 February 2019	18:00-20:00
Lenasia Sports Complex Cnr Pegasus and Columbia Street Lenasia Ext 9	14 February 2019	18:00-20:00
Region F		
Eureka House Wemmerpan No 92 Marlborough Street Springfield	18 February 2019	18:00-20:00
Mondeor Recreation Centre Cnr Dayeford Road and Columbine Avenue Mondeor	19 February 2019	19:00-21:00

5.4

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(2) Communication for public meeting

Communication of all information on Rates Policy review meetings, dates, venues and times was done through several Media channels. Municipal statements that were sent to clients contained a message on the Rates Policy review meetings. The clients were further advised to check for more information on the City's website. Social media platforms were also used to circulate the information about the meetings. The information was also shared with Councilors so that they could inform their residents.

(3) Attendance of meetings

Attendance in most of the meetings was good. There were certain meetings where attendance was not good, this was due to the close proximity of venues. Orange Farm residents complained that the meeting should have been held during the day because most of the people in the area do not work. Lenasia South Sports complex meeting was cancelled because the electricity cable at the venue were stolen.

(4) Changes to Rates Policy

The two major changes done to the Rates Policy is the inclusion of rating the right in land (long term leases) and split values for multipurpose properties. The other changes made were corrections of some the wording in the policy so that it read correctly.

(5) Submission and inputs

Submissions and inputs were received from different stakeholders and they are attached to this report as annexure D. This report also contains the summary inputs, comments and queries received during the public consultation meetings in different regions.

Categories of comments

Residents in all the meetings held took the opportunity to raise all the queries, complains and provided input into the Rates Policy.

Submissions and inputs were received from various attendees representing different sectors of society including pensioners, individual property owners, and residents in general, and the business community.

Submissions and inputs received ranged from the outcry on the 2018 general valuation, poor services delivery, rates policy related issues, such as tariff increase when the economy has deteriorated, the valuation process, pensioner threshold rebates, and the time it takes to resolve objections and appeals.

5.5

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Business community raised issues related the City making it difficult to do business due to regulatory issues and also raised concessions that they would want the City to consider with regards to them bringing more investments in the City.

There were service delivery issues that could not be responded to in the meetings because they would require the expertise of the entities' concern to provide a detailed response that must first be investigated before the response is provided. These types of input and queries have been forwarded to the respective departments and entities.

The table below is the summary of the submissions and inputs received during the public participation. The detail written submissions are attached to this report as Annexure C.

...

Councillor briefing	
<p>MMC: Finance gave an overview of the 2020/21 Rates Policy review process. MMC: Finance urged the City to ensure that public is consulted and their input are taken into account. MMC urged councillors to be involved in the consultation process to ensure smooth processes of the 2020/21 Rates Policy review process. It was mentioned that there are no proposed changes to the Rates Policy yet, the public is invited to make suggestions on the current Rates Policy, after which, a 2020/21 Draft Rates Policy will be compiled taking into account the comments from the public.</p> <p>The following are proposed:</p> <ul style="list-style-type: none"> • Split values for multi-purpose: • Long term leases (right in land): • Align policy to strategic direction • Incorporate judicial outcomes: 	
Questions raised	City response
Councillors asked if the City expects them to share the information immediately with the public or wait for public meetings	The City explained that the Councillors are can circulate the Rates Policy review information to the community.
Councillors asked if there is a mobilisation team for the Rates Policy public meetings	The City explained that it is assisted by the Communications department and Regional Stakeholders offices. It was mentioned that communications will send sms's to all property owners.
A question was asked that considering the fact that land in the future is going to be owned by government, It was asked if that will have an impact on the Rates.	The City response was that it is difficult as changes to the constitution has not been promulgated.
A question was asked whether the City could use the funds from National Treasury to subsidise the property owners.	The City explained that funds provided by National Treasury to the City are ring-fenced for a particular purpose.

5.6

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Questions raised	City response
A question was asked how the City deals with unemployed property owners.	City explained that Extended Social Package has been designed to assist people who cannot afford and those who earn up to a certain salary bracket. It was further explained that all residential property owners qualify for R350 thousands residential threshold rebate.
The City was asked to differentiate between property categories and property ownership	City explained that property category refers to the type of property such as residential, business etc whereas ownership refers to the owner of the property.
The Department was urged to use simple language when designing pensioner application forms to accommodate pensioners.	City noted the comment. It was further indicated that Property Branch will consult with Communications to come up with a way of simplifying the pensioner application form. Guidance will be provided to pensioners during the Rates Review meetings as to how to complete the application forms for pensioner rebate.

Region B

Marks Park 21 January	City response
The City takes too long to finalise the objections process pensioners who are above the age of 70 will be dead by that time the decision is done.	City noted the comments made and indicated Valuation administration does have processes in place to assist when requested to fast track the hearing of the appeal. It was also indicated that the process of appeal is fully managed by the Valuation Appeal Board.
The Valuation has increased for most of the properties in our area but the services have not improved. The roads still have potholes and street light stay for so long before they are fixed	City noted the comment. The Valuer explained the factors that are taken into consideration when valuing the property. Regional offices official present in the meeting noted the services delivery comments made by the property owner.
My business property was valued at 12.5 million in the 2013 General Valuation. In the 2018 GV my property has now been valued at 30 million. This does not make sense at all. Can somebody explain to me how this is possible?	City noted the comment. The property owner was advised to meeting with the Valuer present in the meeting. It was also explained that property owners must lodge objections and appeals when they are not happy with their property value.
The concept of receiving a full 100% benefit on a property valued at R2 500 000 and losing that benefit entirely if the value of the property is even only R10 more, makes absolutely no sense whatsoever.	City noted the comment. It was further explained how the City has arrived at the threshold value of R2.5 for pensioners. City explained that it is looking at other methods and threshold when determining who qualifies for pensioner rebate.

5.7

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Marks Park 21 January	City response
<p>The valuation process is also then open to possible manipulation marginally upwards for all the properties that approach this threshold, to ensure a value slightly higher than the R2 500 000, thereby maximising rates income for the City at the expense of the elderly.</p>	<p>City noted the comment. City also explained that the valuations process is fully legislated any unhappiness should be challenged by objecting and appealing.</p>
<p>Due to the high valuation values the City must not increase the tariffs in 2020/2021 financial year.</p>	<p>The input is noted. City explained that tariff increased is influenced by budget requirements and is guided by City's priorities.</p>
<p>Valuation Appeal Board must be able to provide dates to everyone who has lodged their appeals once all appeals has been received. This will assist property owners to know when their valuation appeal will be heard. The delay in knowing when your appeal will be heard put financial pressures to property owners because the City expects you to pay on the high value until the appeal is finalised.</p>	<p>City noted the comment. City explained how the Valuation Appeal Board functions. It was also indicated that this comment will be passed through to Valuation Appeal board.</p>
<p>Council takes long to resolve queries which result in unfair electricity cut offs.</p>	<p>City noted the comment. It was also explained that open days have schedule for all the regions to address all outstanding queries.</p>
<p>The Council has been unable to justify the scientific basis for this marginal 25% increase in the threshold against the general property valuation increases.</p>	<p>City noted the comment. The Valuer present explained the legal process followed to compile the General Valuation. It was also explained what valuation methodology was followed for residential and business properties. All property owners can object or appeal when they are not happy with the valuation on category or value.</p>
<p>Having retired fully from 1 March 2018, I am now solely dependent on my pension provisions which constitute fixed investments and fixed monthly income. Such income cannot sustain the massive increase in the rates as has been applied by the City, without placing severe strain on other monthly expenses and cost of living.</p>	<p>City noted the comment. The property owner was advised to appeal the decision of the Appeal Board. It was also explained that most of the objection lodged with the City has been finalised. Rates Policy provides pensioner rebate for all pensioners who qualify.</p>
<p>I am still waiting for the finalisation of the valuation appeal from the 2013 General Valuation. At the same time my business property is overvalued again in the 2018 General Valuation. My business cannot continue to operate because of these delays in the finalisation of the appeals.</p>	<p>City noted the comment. It was explained that City has three Valuation Appeal Boards working on the objections, appeals and reviews. Two of the boards are concentrating in finalising all outstanding appeals and reviews for 2013. The property owner was advised to see the Valuer after the meeting.</p>

5.8

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Marks Park 21 January	City response
<p>A solution to the pensioners with properties above R2.5 million problem is to determine that all pensioners over the age of 70 years whose respective property values exceed the threshold are granted a 100% rebate in rates up to the threshold, but are then responsible for payment of full rates based on the difference between the threshold and the property valuation. In other words, at the current threshold, for such pensioners, the basic rebate becomes R2 500 000 instead of R350 000.</p>	<p>City noted the comment. It was explained that the City is currently looking at the same principle for pensioner rebates. Due to cost implication modelling is being done to verify financial affordability from the City.</p>
<p>Our cost of living has certainly increased at a far faster rate than CPI mainly due to the rocketing increase in costs of medical services and medication. The recently announced VAT increase has made matters even worse. Valuation has added to the problems that we have by increasing the rates to be paid.</p>	<p>City noted the comment. It was also explained that when determining the tariffs increase all aspects of the economy are looked at. The property owner was advised to see the Valuer present after the meeting.</p>
Ferndale Recreation centre 23 January	City response
<p>The City must prioritise finalising pensioner's valuations appeals first before they consider others. Pensioners are surviving on savings they are no longer earning incomes.</p>	<p>City noted the comment. City responded by indicating that there are now three Valuation Appeal Board that have been appointed to fast track the finalisation of the objections, appeals and reviews. Two Valuation Appeal Boards are working on finalising the appeals and reviews from GV 2013 while one board is working on the 2018 GV. City indicated that it would have the discussion with the appeal board on the process of dealing with escalated appeals.</p>
<p>Why is the City using market values when they value the</p>	<p>City noted the comment. The Valuer explained the methodology and the processes followed by the City in compiling the GV. It was also explained that market value is one of the parameters considered when compiling a GV.</p>
<p>Is the amnesty issued by the Mayor Mashaba still applicable while you're waiting for your valuation appeal to be heard?</p>	<p>City noted the comment. City responded by saying that that amnesty was meant for the objections even though it was not in line with the provisions of Municipal Property Rates Act.</p>
<p>The City must consider revising the pensioner rebate up because of the values that have increased in GV 2018.</p>	<p>City noted the comment. City explained that the Rates Policy does provide rebates which are based on what the City can afford. It was also explained that the process of increasing rebates is linked to the implementation of the General Valuation Roll.</p>

5.9

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Ferndale Recreation centre 23 January	City response
Properties in our complex were charged on residential tariff since 2012 until June 2018. Why has the City decided to change the zoning of our properties and bill us business while our properties are still residential?	City noted the comment. City explained that properties are categorised according to zoning. It was further explained that it is possible that the whole scheme was incorrectly categorised in 2013 GV and GV 2018 corrected it. Property owners were advised to apply at the Property Branch to be rated as residential.
The City is generating money out of vulnerable property owners by refusing to backdate the change from business to residential to the date of valuation. The property owner did not request the City to change the zoning but they are made to suffer on the mistake they did not create.	City noted the comment. City explained that the General Valuation was opened for up to 70 days for all the stakeholders to check their new property value and category. Section 49 notices were sent to each property owner informing them about the outcome of the GV. Application process is effective from the date of application.
Danie van Zyl 25 January	City response
The City is not using the community structures when they call meetings. The sms is effective but they would have been more people if the community structures were used to distribute the invitation for this meeting.	City noted the comment. City agreed to use the community structures for future meetings.
The determination of the value to qualify for debt write off is to low compare with the values of the properties after the implementation of General Valuation 2018.	City noted the comment. City explained that debt write-off was extensively consulted on. Communication was sent out to all regions informing all the residents what are the requirements how to apply.
The City of Johannesburg has allowed our property values to go down by allowing people to build informal settlements near our area. The values in the General Valuation 2018 have increased without taking into consideration factor of the informal settlement that has made our property values dropped.	City noted the comment. City explained that during the compilation of the GV all aspects that might affect the value of the property were taken into consideration.
The City of Johannesburg does not enforce its bylaws. Many houses in Mayfair have cottages that are not approved by Town Planning.	City noted the comment. City explains that the is a penalty tariff and residents must report such illegal activity so that the City can take action.
The City of Johannesburg must reopen the Walking centre because old people take too many taxis to reach Randburg office. More people leave in one property than allowed.	City noted the comment. This input will be forwarded to RSSC.

5.10

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Danie van Zyl 25 January	City response
The City must consider increasing ESP threshold value for people who have been retrenched from their work place.	City noted the comment. It was explained that ESP already provide for unemployed people who are property owners. The comment will be forwarded to Social development.
The City must enforce the bylaw that everyone who operates a Tuck shop must have a license and operate within the hours prescribed determine by Council.	City noted the comment. The comment will be forwarded to JMPD.
The pensioner rebate threshold value of R2.5 million must be increased to R3 million. Many of the houses in this area are owned by pensioners who survive on their investments and cannot afford to pay rates.	City noted the comment. City explained that all rebates are linked to the implementation of the General Valuation. It was also explained that any request to increase a rebate requires the City to investigate and do modelling for cost implication.

Region A

Midrand Fire Station 27 January	City response
It was asked why sectional title properties billed business as opposed to residential because they are used for residential purposes.	City noted the comment. City explained that properties are categorized in terms of zoning, which is defined as land use rights. It was further explained that in terms of Rates Policy zoning drives category. The Rates Policy makes provision for properties zoned business but used for residential purposes to apply to be rated as residential. Rates Policy requires the owner of the properties to apply to the City.
There was a complaint about drastic property market value increase in the current valuation roll especially in Glen Austin area.	City noted the comment. City explained that property owners could still use section 78 to query their property values if they are not satisfied with the values recorded in the general valuation roll.
It was suggested that the City consider exempting all pensioners as some pensioners were excluded from getting a rebate due to property value.	City noted the comment. It was explained that the City is looking at other methodologies where all pensioners can get the rebate in sliding scale .Once modelling has been completed and financial implication is known the proposals will be discussed with the Group CFO and MMC Finance who would then make a decision whether this can be implemented or not.
It was asked if the City's key strategic points have changed following the appointment of the new administration.	City noted the comment. The Local government of local unit has come up with new strategic points that will be followed to take the City forward.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Midrand Fire Station 27 January	City response
Property owners argued that the current Rates Policy statement which states that the property category will be based on the highest permitted use indicates that the City is following usage as a determining factor for rates as opposed to zoning.	City noted the comment. City explained that for rating purpose it was decided to use the highest permitted use/zoning. It was further explained that this is in line with the provision of the Municipal Property Rates Act.
Property owners argued that the City double billed them as the tariff and property values increase at the me time	City noted the comment. City explained that the valued as determined for valuation is in line with the acceptable methodology for valuing residential properties. It was further explained that valuation of properties is done once every four to five years. City budgetary requirements increases every year and that is why tariffs are increased annual to meet those requirements. The City is very considerate when proposing tariff increases; it considers all aspects including affordability.
There was a complaint about lack of service delivery. Property owners mentioned that the City is not maintaining roads, corruption is worsening etc.	City noted the comment. Regional office officials present noted the comment and indicated that it will be attended to.

Ivory Park 28 January	City response
It was asked if property owners with properties below R350 000 pay property rates.	City noted the comment. City explained that property owners with properties less than R350 000 are exempted from paying property rates.
Property owners complained about poor service delivery, housing shortages, potholes.	City noted the comment. The issues were noted and will be taken up with the relevant department.
The water estimation was raise as a concern. This issue was raised in the previous Rates Policy review meeting. Some property owners indicated that they do not even have water meters.	City noted the comment. The issue was noted and it will be forwarded to the relevant department.
A property owner complained that she is paying the City, yet the balance still shows that she owes R70 000.	City noted the comment. The property owner was advised to see the RSSC officials present in the meeting so that her query is investigated and resolved. .
Residents asked that the City consider providing basic services for their area, if not, they threatened not to pay rates and taxes.	City noted the comment. The issue was noted. Regional office officials were requested to note the comment.

5.12

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Ivory Park 28 January	City response
It was asked who gave the City permission to bill resident's property rates.	City noted the comment. City explained that the Constitution of the country grants all municipalities to charge rates. It further explained that Municipal Property Rates Act authorise City of Johannesburg powers to charge rates and provide all property owners will a monthly bill to be paid.
Some residents complained that they do not have dustbins and the streets are not even tarred.	The issue was noted and it was greed that it will be forwarded to the relevant department.
The City was asked to explain the valuation process.	City noted the comment. The Valuer explained the methodology used in the valuation process and also what factors were taken into consideration when valuing the properties.
Rabie Ridge 29 January	City response
The valuation process was asked given that the valuations did not physically visit the properties.	City noted the comment. The Valuer explained the methodology used in the valuation process and also what factors were taken into consideration when valuing the properties. City explained that due to shortage of Valuers who can walk the streets an value the properties mass appraisals was used. The computer program called CAMA was used to calculate the values for each property.
A question was asked if R350 000 threshold applies to business properties also.	City noted the comment. It was explained that the R350 000 residential threshold applies only to residential properties.
Residents complained about water estimation. It was stated that some water meters were not working. This issue was raised in the previous rates policy review process.	City noted the comment. The query will be forwarded to the relevant department to investigate and resolve.
A question was asked if Rabie Ridge is billed as a suburb as opposed to township.	City noted the comment. City explained all properties that are in the same category are billed the same. It was further explained that billing of properties in the same category does not differentiate between suburb and township. What is important in billing is the value of the property and the category assigned to the property.
It was suggested that Rabie Ridge pays a flat rate for rates and taxes as the area is not in a good state.	City noted the comment. City is billing property owner's rates and taxes based on the market value as reflected in the General Valuation roll. The request for flat rate is noted.

5.13

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Rabie Ridge 29 January	City response
Residents complained that the City does not report back to them, even after IDP meetings there was no report back from the City's side.	City noted the comment. City explained that feedback sessions are held in each region.
<p>The Kaalfontein property owners complained about the City's billing system. Some property owners stated that they do not have water meters. There was a complaint that contractors who are supposed to do water metre reading are not reading the metres properly. It was stated that the street drains are also blocked, making it difficult for residents when it's raining heavily.</p> <p>In addition property owners complained that the City's lawyers are threatening them for water estimation debts which are not a true reflection of their accounts.</p>	The issue was noted and it will be forwarded to the relevant department to investigate and resolve.
A question was asked if tuck shops operated by foreign owned nations are billed as business.	City noted the comment. City explained that most of the tuck shops are operated from residential properties. The owner of the property will still be charged residential rate until the matter is report to Law Enforcement then the penalty tariff will be charged.
A property owner complained that he is receiving two accounts yet he has one property.	City noted the comment. The property owner was advised to visit the nearest Walking Centre to report her query so that it can be investigated and resolved.
There was a complaint about the ESP office in the area, there is always a problem of no network, property owners are sent to Mayibuye to go and apply there.	City noted the query raised. City indicated that the matter will be report to the relevant department to investigate and resolve.
There was a complaint that foreign national who are doing bricks are using water for free yet the south African citizens are expected to pay water.	City noted the query raised. City indicated that residents must report all issues related to the transgression of bylaws to the nearest JMPD office or at the regional office. City indicated that the matter will be report to the relevant department to investigate and resolve.
A pensioner complained that he used to pay R200 a month on rates, last year, he was asked to pay R1000 a month which he cannot afford.	The pensioner was asked to provide his details so the matter can be investigated.
There was a complaint about illegal dumping in the area.	City noted the query. The resident was advised to report the illegal dumping at the nearest JMPD offices or at the regional office.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Rivonia Recreation Centre 30 January	City response
I have applied for pensioner rebate in 2018 and was granted. Will I be required to reapply again when you implement General Valuation 2022.	City noted the comment. City explained that the pensioner rebate is linked to the implantation of the General Valuation Roll. Property Branch will send out communication informing the all pensioners when to reapply in 2022.
What criteria are used to value properties?	City noted the comment. Valuer explained the methodology used to value residential properties and business properties. It was also explained that valuation process has taken into consideration all factors that may impact negatively to the value of the property.
There should be a public protector with the City to deal with people who bills poor people too high.	City noted the comment. City explained that there is the office of the Ombudsman to deal with individuals' queries that have been lodged with the City but nothing has happened to them. The attendee was advised to go and register their query with the office of the Ombudsman.
The communication w.r.t. the penalty tariff is sent to the physical address, whereas it should be send to the owner's postal address.	The issue is noted.The City's law enforcement will be notified of the concern.
Old age homes and orphanages should be charged as Public Benefit Organisations	City noted the comment. City explained that there is a policy that deals with Public benefit organisation which is managed by Department of Social department PBO's can apply to the department if they want to be recognised as public benefit organisation. Applications should done at the Social Development department.
Diepsloot Youth Centre 5 February	City response
The valuation process was enquired.	City noted the comment. The Valuer explained the valuation process and all the factors that were considered in determining a value for each property. It was further explained that valuation was done based on the market value, which is the price that the property would have been sold in the property market between the willing buyer and the willing seller. It also considers sales around the area, the location etc.
Property owner's complained of huge water estimated bills.	City noted the comment. City explained that the property owner must register here query at the Walking Centre so that they can be investigated and be resolved.
The residents requested that the City maintains Diepsloot before they can pay rates and taxes.	The issue was noted. Regional office officials indicated that there are plans in place to deal with service delivery issues.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Diepsloot Youth Centre 5 February	City response
Residents complained about the City's billing system, they indicated that their billings were ranging from R5 000, R10 000 and upwards monthly.	City noted the comment. City explained that the property owner must register here query at the Walking Centre so that they can be investigated and be resolved. They were also advised to talk to the RSSC official after the meeting.
There was a complaint that some water metres were not working properly.	City noted the comment. City explained that the property owner must register here query at the Walking Centre so that they can be investigated and be resolved. Residents were asked to report the matter to the walking centre.
The City was asked to invite billing department in the next meeting in order to deal with billing issue.	City noted the comment. City explained that Open days are planned for all the regions to address the outstanding billing issues. The residents will be informed when the open day will take place.
Property owners suggested that the residential threshold of R350 000 be increased to R400 000.	City noted the comment. City explained that the residential threshold rebate is linked to the implementation of the General Valuation roll. Therefor it could only be looked at only 2022.

Region C

Roodepoort Civic Centre 3 February	City response
The City has employed a company that is not from Johannesburg that is why the values of the properties have increased by more than 100%.Information from estate agents was never used.	City noted the comment. City explained that the Branch was not fully capacitated therefor to compile a General Valuation they had to employ the services of the outside company. The General Valuation 2022 will be done in-house.
I submitted my valuation objection when the process opened in March but up to today I have not received my objection outcome. I am being made to pay on a higher value up until now..	City noted the comment. City explained that all valuation objections have been finalised. The property owner must meet with the Valuer after the meeting. It was further explain that property owners must pay on the value as reflected in the GV until the objection or appeal is finalised. Where the value is reduced the City will adjust the account and refund the property owner what he or she has overpaid plus interest.
The Mayor made an announcement that residents who are overvalued must pay on the old value until the objection has been finalised. The objection outcome did not change my value I am now supposed to appeal and wait another year before I pay on the correct. This punishes poor property owners this is not fair.	City noted the comment. City explained the provision of the Property rates regarding payments on the values reflected in the GV. The appeal process was explained and also how the Valuation Appeal Board functions. City explained that there are now three Valuations Appeals Board that are working on the 2013 and 2018 reviews and appeals.

5.16

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Roodepoort Civic Centre 3 February	City response
<p>Region C has many retirement villages and most of them are now overvalued. These pensioners were receiving pensioner rebate before their values were increased. A petition was written to the Mayor to intervene but nothing has happened. Pensioners are made to appeal while they pay on the high values. Pensioners are surviving on investment which is too little to cover everything.</p>	<p>City noted the comment. City indicated that it has received the submission from retirement villages about how they proposed the pensioner rebates should deal with going forward. Those pensioners that have requested Valuation administration office to prioritise their appeal date will be notified once they have been scheduled.</p>
<p>Services delivery is not done in our area but the City expects us to continue to pay on high values.</p>	<p>City noted the comment. Regional office staffs were requested to note the comment and address it in their services delivery meetings.</p>
<p>Queries locked in this region take too long to be resolved. We are always told that they are waiting for back office to respond, this is frustrating?</p>	<p>City noted the comment. City explained that it has planned Open Days for all the regions to address all outstanding queries. Residents will be informed when the Open Day will be held in their region.</p>
<p>When are the appeals going to be finalised? Our retirement village has locked the appeal last year up until today we have not received the date when is our appeal going to be heard by the valuation Appeal Board.</p>	<p>City noted the comment. City explained that there are now three Valuation Appeals board appointed. They are dealing with reviews and appeals for 2013 and 2018. They started working in March 2019 and they have finalise many reviews and appeals.</p>
<p>The challenges that were brought by General Valuation 2018 of incorrect values and high values are they going to be resolved before the implementation of GV2022.</p>	<p>City noted the comment. City explained that there are now three Valuation Appeals board appointed. They are dealing with reviews and appeals for 2013 and 2018. They started working in March 2019 and they have finalised many reviews and appeals. The City plans to finish all appeals before the implementation of GV 2022.</p>
<p>Request the City to consider the pensioners appeal first because it is heavy for them to continue paying on the higher value while they supposed to be getting pensioner rebate.</p>	<p>City noted the comment. City explained that there are now three Valuation Appeals board appointed. They are working hard to finalise all the appeals. Pensioners who want their appeals prioritised must make such request to the Valuation administration which provides the secretariat function for Valuation Appeal Board.</p>
<p>Due to crime in this region the City will have to have meetings with the Neighbourhood watch first before Valuers start the property inspection.</p>	<p>City noted the comment. City appreciates the comment and will do so.</p>

5.17

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Cosmo City Multipurpose Centre 4 February	City response
The community asked how the properties were valued.	City noted the comment. The Valuer explains the all aspects of valuation that were followed when compiling a Valuation roll. It was further explained that valuation was done based on the market value, which is the price that the property would have been sold in the property market between the willing buyer and the willing seller. It was also explained that sales around the area and the similar neighbor hoods are considered.
Property owners complained about the level of service they are receiving.	The issue was noted. Regional staff officials were requested to note the comment and address them with the resident concern.
Property owners complained that the City is not enforcing by laws, there was a complaint that property owners have turned their properties into boarding houses without following City's processes.	The issue was noted. The residents were advised to report any illegal use of the property fat the Law Enforcement section of Development Planning.
It was suggested that the residential property threshold be increased from R350 000 to R500 000 considering that improved RDP houses ranges around R500 000.	City noted the comment City explained that residential threshold is linked to the General Valuation Roll. This request can only be considered in 2022.

Region E

Sandton Customer Service Centre 10 February	City response
What is the City doing with the rates revenue collected? This should be spelled out in the presentation & the policy booklet.	The point is noted. Attendees were encouraged to attend the second phase of meetings, where the City will outline the projects to be undertaken for the next financial year.
Will the City be reducing the business ratio further/soon?	City noted the comment. City explained that the reduction of the ration is a process that is done when determining the revenue per category of property. The comment is noted .
When will the City be implementing the Special Rating Areas Policy?	City noted the comment. It was explained that the City has approved the Special Rating Policy and the Bylaw. The implementation process is currently being mapped out and discussion are being held with the stakeholders..
What is the City doing with squatter camps erected close to our properties, and devaluing our properties?	City noted the comment. This issue is handled by the Department of Housing. It was further explained that that all issues having an impact on the value of the property are taken into consideration when valuing the property.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Sandton Customer Service Centre 10 February	City response
The City should give the pensioner rebate up to the threshold of R2.5m and charge only for the difference of the value above the threshold of R2.5m.	City noted the comment. The City will consider submissions made by residents. The budgeting process will shed some light on this issue. Decisions made will be advised in the second phase of public meetings.
The willing buyer willing seller principle is not a good indication of the value of any property. The values as per the City are higher than what people are willing to buy the property for. The property market is depressed at the moment; hence the values as they are at present are overstated.	City noted the comment. The outcome of principle of willing buyer willing seller is the acceptable in the valuation process. What the two parties agree upon will be the acceptable sale to be considered in the valuation process. The City values properties once every four (or five years). Economic & market conditions at the time of valuation are taken into account.
The objection & appeal process takes too long. The City should communicate with the property owners to give an indication of when their appeal hearings will take place.	The request is noted. The appeal process is conducted by the appeal board which is appointed by COGTA, and not the City. The board does all the scheduling. Customers will be notified as to when their hearing will take place.
Marlboro Community Hall 11 February	City response
A question was asked when is the City going to deal with the mushroom of shacks	The question is noted. City explained that Housing Department is dealing with issues of land invasion with Jmpd and other law enforcement agencies.
The valuation process was enquired. Property owners complained that their market values are being affected by the mushroom of sharks.	The City explained that valuation was done based on the market value, which is the price that the price that the property would have been sold in the property market between the willing buyer and the willing seller. It also considers sales around the area, the location etc.
Residents asked valuation to come to the area to give them a proper training on how a valuation is done.	City noted the comment. It was further explained that the query will be forwarded to the relevant Department to investigate and resolve.
Residents argued that the market value approach cannot be applied as there is no movement of properties due to the area being devalued due to many factors.	City noted the comment. City explained that valuation methodology used in valuing the residential properties take into all factors that impact on the value of the property. The City explained that it is following the Municipal Property Rates Act which states that the valuation should be done on a market basis approach.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Marlboro Community Hall 11 February	City response
The residents complained that they are experience electricity blackouts because Eskom cannot come to area to the fact that the areas are regarded as a risky area. As a result they feel that there is no rate of return on paying rates and taxes.	The query is noted City explained that all properties are required to pay rates and taxes. The money paid for rates and taxes fund services such as libraries, roads and clinics. Residents must lodge their queries with the service provider.
Property owners were concerned about Illegal structures, vacant areas which are used as dumping site. It addition it was mentioned that there is a property which has 72 sharks which is not paying rates and taxes and also not paying for other services rendered by the City. It was states that the Metro Policy is aware of the situation and is not enforcing by-laws.	City noted the comment. City explained that illegal dumping must be reported to JMPD. The illegal use of the property must be reported to Law Enforce section of Development Planning. The attendees were advised to escalate the query.
Norscot Recreation Centre 12 February	City response
Many attendees are pensioners and they would like to apply for pensioner rebate. They are requesting application forms so that they apply.	City noted the comment. The residents were advice to meet with the Property Branch official after the meeting so that she can assist them. The residents were also informed that applications can be found online and also at the Walking Centre..
The City should charge sewer per use and not per the stand size. Water charges are less than sewer charges at times, and this is not acceptable. If there's no one in the property, the sewer charge won't decrease.	The issue raised is noted. City explained that Joburg Water is currently reviewing the Water bylaw. The query raised will be forwarded to Joburg Water.
The City should give the pensioner rebate up to the threshold of R2.5m and charge only for the difference of the value above the threshold, should the property value be higher than R2.5m.	The issue is noted. City explained that any change requested on the pensioner rebate would require
The objection & appeal process takes too long. The City should communicate with the property owners to give an indication of when their hearings will take place.	The request is noted. City explained that the objection process has been completed by the Municipal Valuer. It was further explained that Valuation Appeal Board is an independent administrative body created by legislation. Appeal board schedule all their sitting to hear the appeals. City has appointed three Valuation Appeals Board to speed up the finalisation of appeals and reviews for both 2013 and 2018 GV.

5.20

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Jabula Recreation Centre 13 February	City response
The property market is depressed, and the City's property values are overstated. What is the City doing about that?	City noted the comment. The Valuer explained that the compilation of the valuation roll has taken into consideration all factors needed to be considered when compiling a valuation roll. City values properties once every four (or five years). Economic & market conditions at the time of valuation are taken into account.
Using the current values as base for the next GV won't be correct, give the current economic climate.	City noted the comment. The Valuer explained that the compilation of the valuation roll has taken all factors when compiling a valuation roll. Prevailing economic conditions are taken into account at the time of valuation.
A lot of residents requested pensioner application forms.	City noted the request. Pensioner application forms will be e-mailed to those providing their e-mail addresses. It was further explained that application are available at Walking Centre and the Center and the City's website.
A lot of residents requested section 78 forms for valuation queries.	City noted the comment. City explained that all residents who want section 78 forms can visit the Valuation Administration section at 66 Jorissen Braamfontein. It was further explained that those resident that signed the register the forms will be e-mailed to them
The objection & appeal process takes too long. The City should communicate with the property owners to give an indication of when their hearings will take place.	City noted the comment. The appeal process is conducted by the appeal board which is appointed by COGTA, and not the City. The board does all the scheduling of the hearing of the appeals. City indicated that this request will be discussed with the Valuation Appeal Board. Customers will be notified as to when their hearing will take place.

Altrec Sports Complex 20 February 2020	City response
The City's valuation process was enquired.	City noted the question. The Valuer explained the full process followed when compiling the valuation roll. It was further explained other factors such as economic conditions sales of property is the area were considered.
There was a complaint about the level of customer service in Braamfontein. It was state that pensioners are being sent from one office to another without their queries being resolved.	City noted the comment. City indicated that the frontline staff is always trained in customer relations. The complaint will be forwarded to RSSC department to investigate and resolve.

5.21

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Altrex Sports Complex 20 February 2020	City response
It was asked if the community as a whole could object to property to all the properties in Alex.	City noted the comment. It was explained that a property owner can object to a single a single entry in the valuation not to all entries properties.
Pensioners pleaded with the City to consider the fact that they are struggling given the country's economic conditions.	City noted the comment. The City explained that pensioners are catered for in the City's Rates Policy by providing them with a property pensioner's rebate.
The City was asked to explain difference between water and property rates charges.	City noted the comment. The City explained that water charge is based on the usage of water and the property rates billing is based on the market value of the property.
It was suggested that the residential threshold be increased from R350 000 to R500 000 as normal average properties are around R500 000.	City noted the comment. City explained that increase to rebate need to be investigated and be modelled before a decision is made.
Residents complained about the status of Alex in general, the complaint was around the informal settlements, the residents indicated that they are unable to sell their properties because of the informal settlements.	The issue was noted. City explained that residents must report all service delivery issues at their regional office. City explained it is aware of the challenges the resident has mentioned it will investigate and find solution.
There was a complaint that informal settlements were getting free water and free electricity where's property owners in the area needed to pay for services rendered by the City.	The issue was noted. City explained that all services provided by its entities must be paid for. Informal settlements are provided with free services until the settlement is formalised.
The City was requested to invite billing department during the IDP session so as to allow the community to deal with water and reconnection issues.	City noted the comment. City explained that Open Day have been held in different regions to assist the property owners to resolved the queries that they have. The request for Open Day will be forwarded to RSSC.

Region F

Mondeor Recreation Centre 18 February	City response
Residents (pensioners) are complaining that their property values are too high. One lady mentioned that her value is R2.505 m, which disqualifies her to receive the rebate.	City noted the comment. The valuation process was explained in detail. The objection and appeal process was explained, as well as the query process (section 78). Personal queries were handled by the valuer.
Double dipping. One resident purported that the City is double dipping. Tariffs should not be increasing every year. Rates tariffs should be linked to the General Valuation Roll.	City noted the comment. The prices of services and products increase yearly, hence the City increase tariffs accordingly in order to deliver services efficiently to its customers. Service providers also increase their process yearly.

5.22

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Mondeor Recreation Centre 18 February	City response
Pikitup charges should be consumption based and not based on size or value of property. A property that's built over two stands would incur higher sewer charges irrespective of the usage, which would be incorrect.	City noted the comment. City indicated that the concern will be forwarded to Pikitup to investigate and respond..
Sewer charges should be based on consumption and not size of stand/property.	City noted the comment. City indicated that the concern will be forwarded to Joburg Water to investigate and respond
50% of the rates collected should be spend on the area/suburb where it has been collected from/at.	City noted the comment. City explained that budget allocation is allocated according to the needs identified by different departments and entities. The inputs received will be investigated by the City.
A change in the Administration should not result in a change in the Rates Policy. The Policy should be stable in order not to confuse the residents.	City noted the comment.
Due to the current economic conditions, house prices dropped. Do the City consider this fact?	City noted the comment. The City values properties once every four (or five years). Economic & market conditions at the time of valuation are taken into account. All factors will be taken into account in/with the next general valuation roll, which will be implemented on 1 July 2022.
Pensioner: The City should look at the age, and not income of pensioners.	City noted the comment. City explains the process of granting the pensioner rebate. It was also explained what are the requirements to qualify. The City do not consider the income of pensioners of 70 years and above, but do take into account the property threshold of R2.5 million.
What is the City doing with the rates collected?	City noted the comment. City explained that the rates and taxes revenue funds services such as maintenance and building of , clinics libraries and sporting facilities etc.
Resident: Bought a property on auction because cannot afford to pay much. Now the City valued the property at twice the auction value. Cannot afford to pay based on the City's value.	City noted the comment. Valuer explained the methodology used in valuing all the properties. All factors that need to be considered when valuing the property are considered. The City values properties once every four (or five years). Economic & market conditions at the time of valuation are taken into account. All factors will be taken into account in/with the next general valuation roll, which will be implemented on 1 July 2022.

5.23

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Eureka House Centre 19 February	City response
The City should not increase rates tariffs every year, because it's tantamount to "double dipping"	The prices of services and products increase yearly, hence the City increase tariffs accordingly in order to deliver services efficiently to its customers. Service providers also increase their process yearly.
Residents have limited income, and have no e-mails to log or do submissions. The need standardised forms to log issues	The issue is noted. City explained that residents must lodge their queries at the nearest Walking Centre
Scrap rates for all pensioners What are the consequences for defaulting pensioners? How could they be assisted? Have meetings for all services	The concern is noted. City explained all property owner are required to pay rates. It was also explained that City provides the rebates for all pensioners who qualify. Those with limited income can apply for Expanded Social Package. Normal credit control procedures apply for all defaulters. The issue is noted. Open days are held for services by the Revenue Department.
Residents need to review and comment on the draft rates policy, not the current approved policy. There's no public consultation on the draft. During the City's second phase of meetings, the draft is pretty much final, and submissions are entertained. The current process is illegal.	City noted the comment. The draft policy is put on the City's website prior to the second phase of public meetings. Residents can then give input then, prior to the meeting. The process of Rates Policy review is done in line with the requirements of the Municipal property rates act.

Hilbrow Recreation Centre 27 February	City response
The Rates policy deals with owners of properties what about the tenants?	City noted the comment. City explained why the Rates Policy only covers the property owners not the tenant.
My house is built on two stands and I am charged on both stands.	City noted the comment. City explained how parent an child stands are being valued and rated. The property owner was requested to speak to the Valuer after the meeting
Our building is high-jacked how can the City assist us to have accounts so that we can pay for services and rates.	City noted the comment. City explained how it deals with high-jacked buildings. The resident was advised to see the regional staff official after the meeting.
In our building we do not receive the R350 000 residential threshold rebate.	City noted the comment. City requested clarification as to who is the owner of the property
I have applied for a Government housing subsidy in 2006 up until today I have not received it.	City noted the comment. The resident was advised to visit the Housing Department to find out progress on her application.

5.24

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Hilbrow Recreation Centre 27 February	City response
Can I apply for pensioner rebate when my property is a flat.	City noted the comment. City explained that all property owners qualify for pensioner rebate as long as you meet all the requirement.
Our flat does not get the free water and electricity. While the other flats in Hilbrow do receive the free water and electricity.	City noted the comment. City explained who qualifies for free 10kl of water and 100kw of electricity.

Klipriviersberg Recreation Centre 4 March	City response
Split values should apply to the land also, and not just buildings	The comment is noted. City explained that split value only apply to multipurpose property according to the Municipal Property Rates Act.
At the first phase of public participation, the City should have a draft policy already, which attendees should give input to.	City noted the comment. The draft policy is put on the City's website prior to the second phase of public meetings. The second phase of public participation of the draft Rates Policy will be opened for public input in April. Legal notice will be publicised to inform all stakeholders that the City has approved the draft rates Policy for public input. The copy of the policy and the bylaw will be placed on the City website and other city offices.
The tariffs should be linked to the valuation roll. The City's revenue increase yearly in any case with the increase in new properties.	City noted the comment. The prices of services and products increase yearly, hence the City increase tariffs accordingly in order to deliver services efficiently to its customers. Service providers also increase their process yearly.

Region G

Ennerdale Recreation Centre 24 February	City response
When will the SRA (Special Rating Areas) policy be implemented?	City noted the comment. City explained that the Special Rating areas policy and the bylaw were approved by Council. Meeting are being held with stakeholders to discuss the implementation plan and the requirements for establishing the Special rating areas.
The City need to make special arrangements to assist pensioners in their respective areas	The issue is noted. City explained the whole application process for the pensioner rebate. It was also explained that application for pensioner rebate can be found on the City's website and in all the Walking Centres
What is the City doing w.r.t land invasions?	The issue is noted. City explains that land invasion is a problem that Department of Housing and the Law enforcement agencies including JMPD are dealing with it.

5.25

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Ennerdale Recreation Centre 24 February	City response
The Mayor should come to Ennerdale to engage with the community	City noted the comment. The requested will be forwarded to the Mayor office.
Why is the City not charging a blanket rate?	City noted the comment. City explained that the determination of the tariff is guided by the revenue requirements. A tariff is charged fairly to all property owners. Currently the tariff that is charged is the same for all properties which are the same categories for the whole City .The policy dictates how the City charges. Usage/consumption is not the same for each household.
I'm a pensioner, but my wife is working. Why don't I get a pensioner rebate?	City noted the comment. City explained that income for the household is considered when the pensioner rebate. The income of both (applicant & spouse) is taken into account, as per policy. It was also explained that pensioner rebate is meant for pensioners.
Property values have decreased as a result of land invasions. What is the City doing about that?	City noted the comment. Valuer explained the factors that are considered when the property is valued. It was also explained that the sales for each area have been taken into consideration when valuing the property. City values properties every four (or five years). Economic & market conditions at the time of valuation are taken into account. All factors will be taken into account in/with the next general valuation roll, which will be implemented on 1 July 2022.
If you work till the age of 65, do you still qualify for a pensioner rebate?	City noted the comment. City explained that pensioners to qualify for pensioner rebate must be at the age of 60 and above. They must own and leave in that property. Pensioner refers to a person that has retired from active service.

Dan Matteman Civic Centre 25 February	City response
Meeting notifications were sent on the morning of the meeting. That's too late.	City noted the comment. Communications have noted the concern.
Text messages (SMS) are limited to a small number of people. News letters should be used for notifications.	City noted the comment. Communications have noted the concern.

5.26

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Orange Farm Multipurpose Centre 9 March	City response
Why is the City taking too long to give property owners title deeds.	City noted the comment. City explained the process of title deeds and it went further to state that it takes too long for the process to be finalised. It was also explained that once the title deeds are available the property owners are informed. City through the Housing Department issue the Title deeds to property owners.
Many residents have received letters informing them that they will get houses. Up until today they have not received those houses.	City noted the comment. City indicated that this query will be sent to Housing Department to investigate.
Orange Farm has big problems of sewer pipes that have blocked. Sewer water is running in the street and the City has done nothing with it.	City noted the comment. City indicated that the regional office staff note the query and investigate. Joburg Water will also be informed of the query and be requested to investigate.
City did not communicate correctly on the debt write-off process. Many residents only knew about it after it has closed.	City noted the comment. City explained how the debt write-off process was communicated and how information was disseminated in region G.
I stay in the RDP but the statement that comes is in the name of another person. I have tried to correct this problem at Braamfontein but it still continues.	City noted the comment. The property owner was requested to register the details of the property with the official from RSSC to investigate.
The City is not enforcing bylaws in Orange Farm. Car was owners are doing as they wish.	City noted the comment. City indicated that there are Metro Policy officials that are stationed in Orange Farm who are supposed to enforce the bylaw.
The next meeting in Orange Farm must be called during the day or over the weekend.	City noted the comment.
Many residents have problems with their accounts, City must bring officials to conduct an Open day here so that all issues can be corrected.	City noted the comment. The request for an Open Day will be forward to RSSC.

Region D

Dhlamini Hall 29 February	City response
It was asked why foreign business nationals are not paying property rates.	City noted the comment. City explained that in terms of the laws of the country every business must be registered and operate at the premise which is designated for business. City further explained that all registered property is liable for rates and taxes as per MPRA. It was also indicated that regional office will investigate what has been raised in the meeting

5.27

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Dhlamini Hall 29 February	City response
There was a complaint about huge valuation increases in the current valuation roll.	City noted the comment. Valuer explained the process followed when valuing the residential properties in region D. Property owners were advised to lodge a query by completing section 78 if they are not satisfied with the value as recorded in the general valuation roll. This section will cover the property owners who did not object.
Property owners complaint about the poor customer service they receive from the Regional offices.	City noted the comment. Property owners were advised to report such matters to the manager in the Region. If they do not receive joy they can escalate to the regional Director.
The government retired pensioners requested that the City considers providing them with 25% rebate as they do not qualify due to income earnings.	City noted the comment. City explained that granting of rebates is linked to the budgeting process. It was further explained that this request will require investigation and rebate modelling so that the City can make the informed decision. The residents were also informed that this process will have to be done in line with the requirement of MPRA

Jabulani Civic Centre 2 March	City response
It was suggested that all pensioners age 70 and above be exempted from paying property rates. It was suggested that the City should not even consider the property value.	City noted the comment. City indicated that the issue will be investigated and modelled for costing purpose before the decision can be taken.
It was asked how the City came up with a pensioner threshold of R2.5 million	City noted the comment. City explained that the pensioner rebate threshold has been provided for to relieve the burden on pensioners. It was further explained that the decision to increase the threshold is based on the tariff modelling and the affordability from the City side. The City explained that pensioner threshold is linked to the implementation of the valuation roll.
A question was asked how the City deals with property owners who are not working	City noted the comment. City explained that ESP has been provided to assist everybody who owns the property but has financial challenges including the unemployed. The Acting regional director advised property owners who are not working to visit the walking in centres to apply for Expanded Social Package.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Jabulani Civic Centre 2 March	City response
It was suggested that the City considers employing ambassadors to bridge the gap between the City and the community. The City could employ interns as ambassador to also tackle the unemployment issue.	City noted the comment. City indicated that the suggestion is noted
The Community asked the City to deal with orphans who are unable to pay for the services rendered by the City.	City noted the comment. It was explained that the affected participants must visit the walking centres to apply for expanded social package.
It was asked if all churches are exempted from paying property rates.	City noted the comment. The City explained that only properties registered in the name of the churches are exempted from paying rates.
Diepkloof Hall Centre 3 March	City response
It was asked if a property owner must pay property rates even though they have fully paid the property.	The City explained that all property owners are required to pay property rates unless they are exempted in terms of the MPRA.
A property owner complained about fluctuating statements, one month the balance, was R50 000, following month, it was R3 000.	The property owner was asked to provide his account number so the issue can be investigated.
Property owners were concerned about the poor level of service delivery, it was indicated that in zone 5, there are no speed humps, the street lights are not working and they are unable to extend due to the drainage system which is in front of their properties.	City noted the comment. City explained that the community must register these issues with the regional office so that they can be attended.
It was asked how the Municipality is dealing with foreign nationals who are owning RDP houses.	City noted the comment. City explained that most of the houses were allocated to South African citizens. Many South African residents have sold their properties to foreigners. The Housing Department will be asked to investigate the query.
Some property owners indicated that they are unable to afford to pay property rates although they are working.	City noted the comment. City explained that it provides different rebates such as Extended Social Package to cater for people who cannot afford..
A question was asked how the City deals with rates and taxes for deceased property owners.	City noted the comment. City explains that the issue of the deceased estate is handled by RSSC. City further explained that residents must also visit Council offices to report and request for advice.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Meadowlans 10 March 2020	City response
Property owners asked the City to consider extending the expanded social package validity time from 6 months to a year.	City noted the comment. City explained the rationale behind the six months period for Extended Social Package. It was also explained that change in policy require investigation and cost implication. The community was informed that this request will be provided to Social Development to investigate.
The City was asked to provide property rebate for the unemployed.	City noted the comment. City explained that Extended Social Package does cover the people who are not employed as long as they meet the requirements.
Property owners complained that it takes years to approve a plan due to City's corruption.	City noted the comment. City explained that the process for building application has been simplified and does not take long as indicated. It was also indicated to the resident that the query must be lodged with the Development planning so that it can be investigated.
There is an issue of title deeds, property owners noted that some tenants have title deeds yet they are not property owners.	City noted the comment. City indicated that the title deed is only given to the registered owner not the tenant. The issue will be forwarded to Department Housing to investigate. The resident was also advised to report the matter to the nearest Walking Centre.
Dobsonville: 11 March 2020	City response
Community representative raised a comment that most of the pensioners in their area they were not aware that the City grant a pensioner rebate. The question was asked as to how do they apply for pensioner rebate?	City noted the comment. It was then explained in detail as to who qualifies for pensioner rebate and how do they apply. They were told that the application is available online and also in the Walking Centre.
The City was asked to explain the valuation process.	City noted the comment. The Valuer explained in simpler terms what is valuation and why the City do a valuation roll. It was further explained what are the processes followed to compile a general valuation roll. The meeting was also told that the City will be compiling GV 2022.
Property owners noted that foreign business owners might influence the property market in Soweto as they buy properties in cash. Property owners asked the City to not consider those sales as a true reflection of the property market.	City noted the comment. The Valuer explain the factors that are taken into consideration when compiling a GV. It was also explained that all alterations done on the property are taken into consideration when valuing the property.

5.30

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Dobsonville: 11 March 2020	City response
The following service issues were noted: Water estimates, Incorrect addresses and no statement delivered	City noted the comment. City explained that Development Planning had a project to renumbering for the purpose of correcting information. Property owners were provided with the new numbers of their properties. It was explained that it is the responsibility of the property owner to provide the City with the correct address. The attendees were advised to visit the City offices to correct their addresses. The water query was noted it will be forwarded to the Joburg Water.

Business Breakfast : 10 March 2020	
MMC: Finance gave a brief overview of the purpose of the Rates Policy review process. The purpose is to ensure that consultation is done properly and the stakeholder's views are taken into account. The slow economic growth was highlighted as one of the challenges that the City needs to take into account during the Rates Policy review process. The MMC mentions that the main aim of the City is to create a conducive environment for businesses. City needs to find a balance between these options to ensure that the City is able to increase its revenue and also allow the economic to grow by facilitating investments from business.	
Comments recieved	City Response
A business owner noted that companies which are providing residential flats are not exempted from first R350 000 as they are not sectionalised. Example was given of properties developed in the same area just across the street one sectionalised and the other not sectionalised. The developers are already in discussion to take legal action against the City. It was asked why is the City treating two property development differently while they are they are providing the same services.	City noted the comment. Municipal Valuer explained the difference between the two properties in terms of valuation and also how they qualify for residential threshold rebate. It was further explained that discussion would be held with the developers affected. The City agreed to investigate the matter further.
There was a concern that sewer charge on high density fats is around 600, similar flats sewer chard is around R350.	City coted the comment. Acting Group Head RSSC told the meeting that he is aware of the query and also told the meeting that Joburg Water is reviewing the current Water Bylaws. The comment will be forwarded to Joburg Water.
The City was asked to elaborate on the valuation method of leases.	City noted the comment. The Municipal Valuer explained the valuation methodology used for leases. It was also explained that the methodology also look at different lease conditions .He also indicated that discussion can be held after the meeting to further provide the explanation.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Comments recieved	City Response
It was asked if property owners could be allowed to pay what they have been paying during the objection or the appeal process.	City noted the comment. It was explained that in terms of the Municipal Property Rates act the owner of the property must pay on the value as reflected in the General Valuation roll. Municipal Valuer also explained that Section 50 of the MPRA does not defer property owners from paying rates and taxes even if they have objected.
Transnet asked why has the City not phased out the public infrastructure rate charge as required by section 93A of the Municipal Property Rates Act.	City noted the comment. City responded that in the current financial year they have complied with Section 93A and they are also on the process of not charging the tariff in the next financial year. Director Finance in Property Branch will look at the adjustments that need to be done.
Growth Point property company noted that perception in the review of the Rates Policy plays a very vital role. It was noted that the property rental market has experience knock on effects, no significant growth in the rental markets. Growth Point has not seen growth in their earning. Property companies have increased rentals to cover the property expenses emanating from sewerage, water, rates etc. Investors are reducing their investments due to municipal expenses and that is impacting negatively on the Social and economic lives of South Africans. The City was asked to create a conducive environment for businesses by investing in infrastructure.	City noted the comment. City agreed that it needs to work hand in hand with the private sector to ensure that the City is able to achieve the required levels of economic growth. Further engagement with business sector will be organized.
Property developers indicated that they were approached by other developers to take the City to court regarding the sewerage charges.	City noted the comment. The City requested property developers to engage them so as to find a suitable solution. The City indicated also that it is in the process of reviewing water by-laws.
It was enquired why the Transit Oriented Development is not defined in the Rates Policy. A property development company indicated that it is in the process of developing negotiating for a project with Massmart to build Makro. The investor want to know whether they will receive rebates under the Transit Oriented Development rebate. He wanted to know whether the area mentioned fall under the Transit Oriented Development and who can provide the answers to his question.	City noted the comment. It was agreed that the City will provide the attendee with all the information and the contact details of the relevant people who can assist. City also explained that there is a full policy for Transit Oriented Development which is managed by Development Planning Department.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Comments recieved	City Response
Property developers noted that they are now developing townships into phases to avoid remaining township development penalties.	City noted the comment. Municipal Valuer explained how the R E of the township is valued and also how the value is reduced when the township development continues until the value is zero when the development is completed.
Century representative indicated that they are developing incubation hub which assists small businesses in Diepsloot but the problem is that small businesses are closing because they are charged business rated yet they are registered as NGO.	City noted the comment. City explained the affected company must apply to the Social Development to be recognised as a Public benefit organisation.
Standard bank representative asked what determines the increase on municipal deposits on active accounts.	City noted the comment. Acting Group Head RSSC explained how a deposit is determined and also indicated that he will investigate why the deposit has increased to the figure mentioned by Standard Bank representative. Meeting will be held with Standard Bank to discuss this matter and any other challenges that need to be addressed.
University of Johannesburg representative asked if the City has relationship managers to manage big clients.	City noted the comment. City explained that is in the process of profiling their clients in terms of property values for residential and consumption value for business customers. Once this process is finalised relationship managers will be allocated in terms of the Bronze, gold, silver and platinum accounts depending on the property value. For residential and consumption value for business clients.

4 POLICY IMPLICATIONS

The proposed changes are aimed at enhancing the Policy and the City's strategic goals.

5 LEGAL AND CONSITUTIONAL IMPLICATIONS

This report has been finalised in conjunction with Group Legal and Contracts to ensure compliance with all relevant Legislation. The Policy review process is governed by the Act, Chapter Four of the Systems Act and Municipal Finance Management Act. Section 5 (1) of the MPRA states that a municipal council must annually review, and if necessary, amend its Policy. Any amendments to a 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.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Section 2 of MPRA goes further to say community participation is required when the City amends its Policy, and this process should be done through the municipality's annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act.

6 FINANCIAL IMPLICATIONS

It is proposed that all tariffs

7 ECONOMIC IMPLICATION

(1) Economic development initiatives/projects

None.

(2) Job creation

None.

(3) Skills development

None.

8 COMMUNICATIONS IMPLICATIONS

Draft Rates Policy and Rates by-laws will be communicated as per the City communication policy in line with the relevant legislation.

9 OTHER DEPARTMENTS/BODIES CONSULTED

Budget Office
Valuation Services
Legal and Compliance

10 KEY PERFORMANCE INDICATOR

Implementation of revised annual rates tariffs in alignment with Rates Policy and the Bylaw.

5.34

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

IT IS RECOMMENDED

- 1 That Council take note of the submissions and inputs received during the Rates Policy review public participation meetings.**
- 2 That Council take note of the proposed changes to the Rates Policy and Rates by-law.**
- 3 That Council authorise the Property Branch to engage the public on the 2020/2021 Draft Policy and 2020/2021 Draft Policy By-laws as stipulated by legislation.**

(FINANCE)

(Veli Hlophe)

(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURES TO THIS ITEM

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Annexure A

CITY OF JOHANNESBURG DRAFT PROPERTY RATES POLICY 2020/2021

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Table of Contents

	PAGE NO
SECTION A	
Interpretation	2
Legislative Background	6
Objectives of the Policy	7
Date of Implementation	9
SECTION B	
Categories of Property for Levying of Differential Rates	9
Clarification of Categories of Property	10
Categories and Conditions of Ownership for Purposes of Exemptions, Reductions and Rebates	20
SECTION C	
Special Rating Areas	32
SECTION D	
Liability for Rates	32
Dealing with Applications	33
SECTION E	
Tariff Ratios for Differential Rating	34
ADDENDUM:	35

Legal requirement that all municipalities must comply with in terms of the Municipal Property Rates Act, 2004(Act No 6 of 2004) with regard to Rates Policy Development.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

SECTION A

INTERPRETATION

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

"agricultural holding" means an area of land registered as an agricultural holding under the Agricultural Holdings (Transvaal) Registration Act, No. 22 of 1919;

"bona fide farmer" means the owner of a property who is taxed by the South African Revenue Services as a farmer;

"City of Johannesburg Poverty Index" means the poverty index determined by Council from time to time which index identifies levels of financial need in terms of the City's Expanded Social Package;

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

"Council" means –

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

(b) its successor in title; or

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

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

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

“current monthly rates” means the rate levied on a property divided into monthly payments;

“financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;

“fit for purpose built” used in connection with a structure, means that the structure is fit for use/habitation for purpose for which it was built;

“MFMA” means the Local Government: Municipal Finance Management Act, 56 of 2003;

“municipal property” means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;

“permitted use” means in relation to a property, means the limited purposes for which the property may be used in terms of -

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

“privately owned property” means property not owned or vested in the state or an organ of state;

“public service infrastructure” means public service infrastructure as defined in the Act;

“rateable property” means property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

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

“regulation” means a regulation promulgated in terms of the Act;

“school” means a school as defined in the South African Schools Act 84 of 1996;

“Sectional Titles Act” means the Sectional Titles Act, 95 of 1986;

“Sectional titles property” means sectional title units as defined in the Sectional Titles Act, 95 of 1986;

“service provider” means a service provider contemplated in paragraph (d) of the definition of Council;

“State” in so far as it relates to property owned and used by the State, means property owned and used by the National Government and Gauteng Provincial Government for the provision of community type services, including but not limited to police stations, hospitals and crematoria. All other property owned and used by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes and police flats etc;

“State social security grant” means any social assistance granted in terms of the Social Assistance Act 59 of 1992;

“Structures Act” means the Local Government: Municipal Structures Act, 117 of 1998;

“Systems Act” means the Local Government: Municipal Systems Act, 32 of 2000;

“technical and other colleges” means a public college and a private college as contemplated in the Further Education and Training Colleges Act, 16 of 2006;

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

“**the Act**” means the Local Government: Municipal Property Rates Act 6 of 2004 as amended

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

“**Land Use Scheme**” means –

a land use scheme, which is in operation within the jurisdiction of the City of Johannesburg as contemplated in the Spatial Planning and Land Use Management Act, 16 of 2013, read with the COJ Municipal Planning By-law, 2016, and it includes any town planning scheme that is still in operation in terms of any old order legislation such as the Town Planning and Townships Ordinance, 15 of 1986; and any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

“**university**” means any university and technikon as defined in section 1 of the Higher Education Act 101 of 1997; The category will be based on zoning;

“**zoning**” means the purpose for which land may lawfully be used or for which buildings may be erected or used, or both, as contained in any applicable Town Planning Scheme and “zoned” has corresponding meaning.

(2) Any word or expression –

(a) imparting any gender or the neuter includes both genders and the neuter, or

(c) imparting the singular only also includes the plural and vice versa, unless the context otherwise indicates.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

LEGISLATIVE BACKGROUND

(a) The Constitution of the Republic of South Africa 1996 empowers the Council to impose rates on property.

(b) In terms of section 4(1)(c) of the Systems Act, the Council may, inter alia, levy rates on property to finance operational expenditure of the Council.

(c) In terms of section 62(1)(f)(ii) of the MFMA, the Municipal Manager appointed in terms of section 82 of the Structures Act, must, in his capacity as the Council's accounting officer, ensure that the Council has and implements a rates policy.

(d) The Council:

(i) must, in terms of section 3(1) of the Act, adopt a policy consistent with the Act on the levying of rates on rateable property in the municipality;

(ii) must, in terms of section 6(1) of the Act, adopt by-laws to give effect to the implementation of its rates policy.

(iii) must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend this Policy. Proposals for reviewing this Policy must be considered by the Council in conjunction with its annual operating budget;

(iv) 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;

(e) This Policy is drafted in compliance with the provisions of sections 3(1) and 6(1) of the Act and must be read within the context of the Act.

(f) 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.

FINANCE

OBJECTIVES OF THE POLICY

The key objectives of this Policy are to:

- (a) ensure that all owners of rateable property are informed about their liability for rates;
- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in section 15 of the Act;
- (c) empower the Council to specify a threshold at which rating in respect of residential properties may commence as provided for in section 15 of the Act read with section 17 (1)(h), which it is hereby authorised to do;
- (d) set out the criteria to be applied by the Council if it –
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;
- (e) provide for categories of public benefit organisations, approved in terms of section 30(1) of the Income Tax Act 58 of 1962, which are ratepayers, and may apply to the Council for relief from rates;
- (f) recognise the State and the owners of public service infrastructure as property owners;
- (g) encourage the development of property;
- (h) ensure that all persons liable for rates are treated equitably as required by the Act; and
- (i) provide that any rebate contemplated in paragraphs 7 of this Policy is to benefit the owner in occupation of the property.

FINANCE

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

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

DATE OF IMPLEMENTATION

The Policy will be effective from 1 July 2020 and is subject to review on an annual basis.

CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

(1) 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 highest permitted use of the property, unless otherwise stated. For purposes of levying differential rates in terms of section 8, the following categories of property are determined in terms of sections 3(3)(b) and 3(3)(c) of the Act:

(2) The categories are as follows:

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

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

(t) Sectional Title Business

(u) Sectional Title Other

(v) State

(w) Vacant Land

Category of ownership

(a) Public Benefit Organisations

Penalty tariff

(a) Unauthorised use

FINANCE

SECTION B

CLARIFICATION OF CATEGORIES OF PROPERTY

(a) Agricultural Business

- (i) Agricultural holdings and farm portions from which a business or commercial activity is undertaken shall be categorised as business and commercial
- (ii) Agricultural holdings and farm portions where an industrial or horticultural activity is undertaken shall be categorised as business and commercial.

(b) Agricultural Other

- (i) This category consists of agricultural holdings and farm portion that are not used for residential or business (for example, nursery) purposes.
- (ii) This category of property shall not benefit from residential threshold rebate

(c) Agricultural Residential

Agricultural holdings and farm portion shall be rated according to the tariff for this category, and will benefit from residential threshold, unless the owner can prove that he/she is a bona fide farmer.

(d) Business and Commercial

Property in this category includes:

- (i) property zoned for business, commercial or industrial purposes;
- (ii) property used for game farming and / or eco-tourism;
- (iii) property used as a race course for any racing in connection with which betting is carried on by means of a totalizator or otherwise;

FINANCE

- (iv) Property zoned private open space used for recreational or sporting facilities.
- (v) Property zoned general, special, undetermined, aerodrome, amusement and zoning unresolved which is used for business and commercial or industrial purposes, unless such property is used for residential purposes in which case the residential rate will be applied. The residential property value reductions and rebates will be applicable to such properties used for residential purposes. The property owner should apply at Rates and Taxes department and the category will be applicable from the date of application.
- (vi) Properties zoned and used for parking which is privately owned;
- (vii) Property zoned public open space used for recreational or sporting facilities.

(e) Education

- (i) This category refers to property built on land zoned educational/ institutional owned by educational institutions wherein if is primary school or high school that is registered with the Gauteng Department of Education, and
 - a. Also registered with South African Revenue Services in terms of Section 30 of the Income Tax Act 58 of 1962,
 - b. That provides education and development services as contemplated in Item 4 of the Ninth Schedule to that Act. Property owner are required to provide proof of registration with the Gauteng department of Education
- (ii) College established or declared as a college under Higher Education Act no 101 of 1997; and
- (iii) University established or deemed to be established or declared as a University under HIGHER Education act 101 of 1997

FINANCE

(f) Farming (Agricultural purpose)

Property in this category includes;

- (i) Property referred to in the definition of agricultural property in the act.
- (ii) Property zoned as agricultural/farming and used predominately for bona fide farming purpose. This category excludes property used for purposes of eco-tourism, game farms or equestrian estates, the production of non-edible farm produce and agricultural holdings /small holdings.
- (iii) Agricultural/farming property not predominantly used for *bona fide* farming purposes, shall be rated according to the category of the actual use thereof.
- (ii) Tax certificate and affidavit confirming that the property in question forms part of the farming activities.

(g) Mining

This category refers to property actually used for mining purposes or purposes incidental to mining operations, which property will be rated as if zoned business, commercial.

(h) Multipurpose Business

Where a property's zoning allows for more than one permitted use and where the use of the property is used dominantly (fifty plus one percent) for business and commercial purposes the entire property will be rated in accordance with the business rate.

- (i) This category comprises of property with multiple zonings, one of which is business/commercial purposes.
- (ii) Where the property is actually used dominant (i.e. 51% or more of the area of the building) for business/commercial purposes, the entire property will be rated in accordance with the business residential rate.

FINANCE

- (iii) In cases where the Municipal Valuer considers it reasonable to apply this category, properties which are categorised for multiple purposes and thus fall within different categories of properties, an apportionment of value for each distinct use of the property must be calculated by the Municipal Valuer and used for billing at the appropriate and applicable rate(s);

(i) Multipurpose Residential

- (i) This category comprises of properties with multiple zonings, one of which is residential.
- (ii) Where the property is actually used predominantly (i.e. 51% or more of the area of the building) for residential purposes, the entire property will be rated according to the residential rate.
- (iii) To qualify for the residential rate the owner must submit a declaration duly certified as correct by a registered town planner or architect that the property is being used predominantly for residential purposes as envisaged in (ii) above
- (iv) If the dominant use is not residential but some other permitted use, the rate applicable to the predominant use will apply.
- (v) In cases where the Municipal Valuer considers it reasonable to apply this category, properties which are categorised for multiple purposes and thus fall within different categories of properties, an apportionment of value for each distinct use of the property must be calculated by the Municipal Valuer and used for billing at the appropriate and applicable rate(s);

(j) Municipal

- (i) In terms of section 7(2)(a)(1) of Property Rates act no rates will be levied on municipal owned properties.

FINANCE

- (ii) Property leased to third parties in terms of a lease agreement registered in terms of the formalities in respect of the lease of Land act 18 of 1969. Where Council owned property is leased to a third party, the rating therefor shall be as per the category allocated to it. The City or its appointed agent will only charge rates on properties where so required in terms of the policy, and may recover such rates from the tenant, subject to the provision set out in the lease agreement.
- (iii) If the property is zoned Municipal but belongs to a private owner, the use will determine property category.

(k) Private Open Space

Private open space includes recreational and or sporting facilities. Property in this category shall be rated at the tariff applicable to public service infrastructure provided that:

- (i) The sporting facility property is used 80% for sports activities;
- (ii) The Club is active and it must prove to the City that it is involved in sports development programmes for previously disadvantaged communities;
- (iii) The organization is registered with SARS and an association without gain;
- (iv) The organization provides the City with 3 year audited financial statements and should prove to the City that it is not in a financial position to pay the full rates;
- (v) This category of property does not qualify for the 30% value reduction as set out in Section 17(1)(a) of the Act

(l) Public Open Space

All property zoned Public Open Space registered in the name of Council. Property zoned Public Open space not registered in the name of Council will be categorised according their use.

FINANCE

(m) Public Service Infrastructure

Property falling within this category shall be charged at a rate determined by applying the prevailing ratio as prescribed by Municipal Property Rates Regulation. This category will also include properties owned by the National Government and the Gauteng Government that are zoned:

- (i) Properties zoned cemetery owned by National and Provincial Government, community facility, parking, pedestrian walk, proposed new roads and widening, existing public roads reservoir, SAR, Spoornet and sewage farms.
- (ii) Any property not falling within the ambit of subparagraph (1) used for anything other than public service infrastructure shall be deemed to be business and commercial for the purposes of levying a rate.
- (iii) This category of property qualifies for 30% value reduction as set out in Section 17(1)(a) of Act.

(o) Religious

The City will not levy rates on a property categorised religious and registered in the name of the church and used primarily as a place of public worship by religious community,

- (i) The official residence registered in the name of that church which is occupied by the office bearer of that community who officiates at services of that place of worship.
- (ii) This category of property categorised religious will excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium

(p) Re of a township

All remaining extensions of a township which includes one or more unsold stands , except where the remaining portions are roads in which case they will be public service infrastructure privately owned(PSIP).

FINANCE

(q) Residential Property

This category includes:

- (i) Property zoned residential and property zoned special for residential purpose but excluding any property zoned business or commercial with a residential component or property zoned residential with a business or commercial consent use.

(r) Residential with consent Use

- (i) Any property zoned for residential purposes in respect of which a consent use has been granted for any business, commercial or industrial purpose shall be categorised as residential with consent use;
- (ii) Consent use granted on any property other than that referred to in (i) above, will result in that property being categorised as residential with consent use.
- (iii) If consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of the property concerned may apply to the Council for the re-instatement of the residential category. If approved, the residential category shall be re-instated as from the date that the Council is satisfied that the property is being used for residential purposes only in terms of the zoning thereof;
- (iv) Where a residential property with a market value less than that specified in the threshold is partially used for non-residential consent purposes, such property will remain in the category of residential.

(s) Sectional Title Business

Property in this category includes:

FINANCE

- (i) Sectional Title properties that are zoned for business or have businesses operating therefrom;
- (ii) Where a property not zoned residential has been developed and is used exclusively as residential, the residential tariff will be applicable on application. The property owner must submit a declaration as to the purpose for which the property is being used, so that it can be rated accordingly. The residential property value reductions and rebates will be applicable to such property;
- (iii) Where a property is used for residential purposes, notwithstanding that it is zoned for any other purpose, the owner of such property may apply to the Council in writing for the levying of residential rates. The Council has the right to call for documentary evidence and/or conduct a physical inspection of the property. Where the actual usage is primarily residential, the residential rates and property value reductions and rebates will apply to such property. The changes that will be done on the billing system they will be effective from date of application.

(t) Sectional Title Other

- (i) This category includes structures within a sectional title complex zoned residential that need to be valued separately including but not limited to garages, maids quarters, security houses. These structures will be rated at the residential tariff.
- (ii) These structures will be rated at the residential tariff but will not qualify for residential threshold rebate.

(u) Sectional Title Residential

This category includes sectional title properties, zoned residential, zoned special for residential use and used exclusively for residential purposes.

FINANCE

(v) State

- (i) Property owned by the National and Gauteng Provincial Government is rateable and will be categorized according to the zoning of the property;
- (ii) If property owned by the National and Gauteng Provincial Government has a zoning which permits the provision of residential accommodation, the property will be classified as "residential" and the residential rate will be applicable upon presentation of a Certificate of Occupancy;
- (iv) Only if the property owned by the National and Gauteng Provincial Government is used for the provision of community-type services, will it be categorised as "State" in which case the rate for State owned property will be applicable.

(n) Vacant Land

This category includes the following:

- (i) Land without a zoning, zoning unresolved, de-proclaimed mining land and any undeveloped land/ erf within a proclaimed township or within a land development area.
- (ii) Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy or final inspection or an affidavit proving the date of occupation.
- (iii) Vacant land owned by individual for development of residential property, if developed within the two year will be charged residential tariff backdated to year one. Owner of the land must apply to the Property Unit for the adjustment of the tariff.
- (iv) The rate applicable to vacant land will take precedence over the rate applicable to the category in which the property would have fallen had it not been vacant land.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

Category of ownership

(1) Public Benefit Organisation

Property in this category shall be rated according to the prevailing nationally promulgated rates ratio based on usage of property subject to:

- (i) The Public benefit organisation shall apply to the City to be recognised as such.
- (ii) The Public benefit organisation shall provide the City with 3 year audited financial statements and should prove to the City that it is not in a financial position to pay the full rates.
- (iii) A public benefit organisation is required to provide a specified public benefit service as set out in terms of Section 30 of the Income Tax Act. Notwithstanding the provisions of subparagraph (1), property which is used in conflict to its zoning will be rated at the tariff applicable to business and commercial.
- (iv) Any property not falling within the ambit of subparagraph (1) shall be deemed to be business and commercial for the purposes of levying a rate.

Penalty tariff

Unauthorised use

- (1) This penalty tariff is charged on all properties that are used for a purpose (Land use) not permitted by the zoning thereof in terms of any applicable Town Planning Scheme or Land Use Scheme; abandoned properties and properties used in contravention of any of the Council's By-laws and regulations, which include the National Building Regulations and Building Standards Act, 103 of 1977, and any Regulations made in terms thereof. This penalty tariff also covers illegal advertising as regulated by the City of Johannesburg advertising bylaw.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- (i) The rate applicable to this category will be determined by the City on an annual basis. The City reserves the right to increase this penalty tariff higher than other tariffs.

General

Any property not falling within the ambit of category (a) to (v) that is zoned and used for different purposes other than what is covered in category (a) to (v) shall be deemed to be business and commercial for the purposes of levying a rate. This will also include; any zoning that is not covered in category (a) to (v).

CATEGORIES AND CONDITIONS OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES FOR RESIDENTIAL CATEGORY.

The City of Johannesburg may, in terms of the criteria set out in this Policy exempt a specific category of owners of properties or owners of a specific category of property, from the payment of a rate levied on their property: or grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties, as determined in this policy.

All exemption, reduction and rebates must be done on a prescribed application form at the Property Branch.

Unless indicated to the contrary in this Policy, the existing rebates, reduction and exemption will lapse at the end of the General Valuation Roll.

- (a) The City will not levy a rate on the first part of the value up to R350 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

FINANCE

- on the balance of the market value up to R335 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.

(1) Expanded Social Package (ESP)

- (i) The indigent rebate for Rates is applicable to home owners and not individuals.
- (ii) Only one (1) property can be considered for the rebate.
- (iii) This category consists of residential properties owned and occupied by natural persons who reside within the municipal boundaries, are South African Citizens with valid identification document, have limited income and can prove that his or her annual income falls within the limit determined by Council and who are vulnerable such as pensioners, persons with disabilities (PWDs), un-employed, child headed households & the youth.
- (iv) The owner must apply every six (6) months for Council's approval for access to the Expanded Social Package (ESP) on an application 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.
- (v) The conditions are as follows:
 - a) The owners must own and occupy the property concerned.
 - b) The owners must achieve a score on the City of Johannesburg Poverty Index as specified below.
 - c) The value of the property may not exceed R500 000.
- (vi) The extent of the rebate will depend on the applicant's score on the City of Johannesburg Poverty Index:
 - (a) Greater than zero but not exceeding 34 points: 70% of the current monthly rate;
 - (b) Greater than 35 points: 100% of the current monthly rate.

FINANCE

- (c) The property owner must inform and request de-registration if his/her conditions have improved especially if the application no longer conforms with the requirements set out in the policy.

(2) Owners dependent on pensions

- (a) This category consists of residential properties owned and occupied by pensioners.
- (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 their 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.

FINANCE

- (vii) No retrospective rebates will be granted.
 - (viii) Application shall be made prior to the expiry of the validity period of any existing rebate.
- (c) The rebate shall be as follows:
- (i) If a pensioner receives a National Security Grant, they will qualify for a 100% rebate.
 - (ii) If a pensioner, age 70 and above, they qualify for a 100%, irrespective of income.
 - (iii) If a pensioner has a gross monthly income below and equal to R9, 753, they qualify 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 753 less than or equal to R16 716 they qualify 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 Police Service

5.60

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- c. Emergency services
 - d. Johannesburg Metropolitan Police
- (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 the employee 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.

FINANCE

- (i) Application shall be made prior to the expiry of the validity period of any existing rebate.

- (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 and equal to R10230 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 R10 230 but less than or equal to R17 535, he/she qualifies for a 50% rebate, provided the pensioner at least 60 years of age.

(4) 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.

FINANCE

- (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.

(5) High density rebate

- (a) The category consists of properties that are developed with a 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.

(6) Property owned by private sports clubs

A maximum of 40% of the current monthly rates: Provided that such organisation must annually, before 1 September, apply to the Council for approval of a rebate on a form prescribed by the Council accompanied by a copy of their annual report and audited financial statements .Provided such Clubs will have to demonstrate to the Council in writing whether:

- (i) The club is unable to pay the property rates: and
- (ii) The membership of the Club is open to previously disadvantaged persons , and
- (iii) The land owned by the club other than that used for restaurant and bar facilities for club members is utilised primarily for sporting activities: or
- (iv) The Club is actively involved in sports development programmes for previously disadvantaged communities

(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.

FINANCE

- (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 undevelopable land due to the following:
 - i. Property is outside the Urban Development Boundary
 - ii. Unavailability of bulk infrastructure
 - iii. Development of the entire property is prohibited by environmental constraints.
- (b) The applicable requirements are:
 - (i) The owner of the property must apply in writing to the Council for a rebate.

FINANCE

- (ii) A letter from the Department Development Planning confirming that the property is outside the Urban Development Boundary, must accompany the application.
- (iii) A letter from the Municipal Entity/entities or its/their delegate, must accompany the application confirming that the property cannot be developed due to unavailability of infrastructure and services.
- (c) The rebate will be granted only where Council was supposed to provide services
- (d) 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.
 - (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.
 - (iv) Sectionalised schemes for retired person shall qualify to apply as individual for pensioner rebate as stated in 7(2)
 - (v) The rebate shall be granted as stated in 7(2.)

FINANCE

(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
 - (iii) 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 their children must annually apply for the rebate. The application must be accompanied by:

5.66

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- (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.
- (i) 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

FINANCE

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

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

(13) Transit orientate developments incentive

The rebate will apply as follows:

13.1 During Construction Rebate

(i) The rebate will apply to new building developments that would take place within the identified **Transit orientate developments** in line with the approved Strategic Area Frameworks, including Soweto TOD nodes (Jabulani, Orlando, Nancefield station, Kliptown).

The property owner will pay 25% of the rate as per the category of land for a period not exceeding two years during the construction phase

12.2 Post Construction Rebate

The property owner will pay half the rate on the first year of operation as per the category of land.

(i) The property owner will pay full rates as per the category of property from the second year of operation onwards.

12.3 Requirements for the rebates

(i) The detailed qualifying criteria will be provided by the Department Development Planning in line with the policy for **Transit orientate developments** as approved by Council.

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

- (ii) The development must be in line with the development requirements set out by the City.
- (iii) The proposed development must follow all planning by-laws.
- (iv) The developer must apply to the Department of Development Planning for the approval of the project.
- (v) Once the project is approved by Department of Development Planning, Property Unit will process the rebate in SAP.

Cumulative rebates shall not exceed 100%.

The Council may, notwithstanding 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.

FINANCE

SECTION C

SPECIAL RATING AREAS

- (1) On receipt of an appropriate application the Council may by resolution determine an area within the municipality as a special rating area in terms of Section 22 of the Act, subject to such conditions as it may deem necessary, and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

- (2) The determination of a special rating area must be consistent with the objectives of the integrated development plan of the Council.

ALTERNATE FINANCING

- (1) City of Johannesburg supports basic instruments for Local Government to execute property value capture through tax incremental financing.
- (2) Tax Incremental Financing (TIF) schemes will enable the City of Johannesburg to anticipate increased tax revenue that would be generated within a specific geographic area as a result of the construction of large-scale infrastructure investment.
- (3) All detailed plans to implement Tax incremental Financing must be approved by Council.

FINANCE

SECTION D

LIABILITY FOR RATES

- (1) A property rate is a debt in respect of taxation in terms of section 11 of the Prescription Act, 68 of 1969, and the Council can recover rates in arrear for a period of up to 30 years.
- (2) On the basis that rates constitute taxation, there is no specific counter-performance due by the Council in exchange for the receipt of the rates.
- (3) Rates -
 - (a) which are recovered by the Council on an annual or 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.
 - (c) **interest be charged on rates not paid on or before the fixed days, at the rate determined by the Council from time to time.**
 - (d) A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the onus shall be on the ratepayer concerned to establish the amount due for the rates and to pay that amount to the Council.
 - (e) Liability for, and payment of, rates is governed by the Act and the City's Credit Control and Debt Collection By-Laws and Policy.
 - (f) Section 27(1)(a) provides that property owner who is liable for rate must furnish the City with an address where correspondence can be directed to.
- (5) In the case of joint ownership of property, all the property owners are jointly and severally liable for the payment of rates and any interest charges thereon.

FINANCE

- (6) In respect of property that has been let by a ratepayer, the Council may recover unpaid rates from the tenant to the extent of any unpaid rental due to the ratepayer.
- (7) The Council may recover unpaid rates from the agent of the ratepayer but only to the extent of the rental in respect of the property concerned received by the agent, less any commission due to the agent by the ratepayer.
- (8) A ratepayer that wishes to dispose of a property must comply with the provisions of section 118 of the Systems Act, which requires an advance payment of an amount to cover, inter alia, the rates due before a certificate as contemplated in the said section is issued, such payment to be calculated to cover a lead time as specified in the Systems Act
- (9) A rate levied by the Council on a sectional title unit is payable by the owner of the unit.

DEALING WITH APPLICATIONS

The Council must consider every application in terms of this 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.

FINANCE**SECTION E****11. TARIFF RATIOS FOR DIFFERENTIAL RATING DEALING WITH APPLICATIONS**

No	Category	Ratio 2020/2021	Rates tariffs for 2020/2021
1	Agricultural residential	1:1	0.008129
2	Agricultural business	1:2.6	0.021134
3	Agricultural other	1:1	0.008129
4	Residential	1:01	0.008129
5	Residential Consent use	1:2	0.016258
6	Business and commercial	01:02.6	0.021134
7	Sectional Title Business	01:02.6	0.021134
8	Sectional Title residential	1:1	0.008129
9	Sectional Title other	1:01	0.008129
10	Municipal property	0	0.000000
11	Farming	1:0.25	0.002032
12	Mining land	1:2.6	0.021134
13	Vacant Land	1:04	0.032515
14	PSI	1:0.25	0

5.73

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

No	Category	Ratio 2020/2021	Rates tariffs for 2020/2021
15	PSI privately owned	1:0.25	0.002032
16	Private open space	1:0.25	0.002032
17	Public open space	1:0.25	0.002032
18	State	1:1.5	0.012193
19	Education	1:0.25	0.0020332
20	Religious	0	0
21	Multipurpose residential	1:1	0.008129
22	Multipurpose business	1:2.6	0.021134
23	R E of a township	1:02.6	0.021134
	Category of ownership		
1	Public benefit organisation	1:0.25	0.002032
	Penalty Tariff		
1	Unauthorised use	1:6	0.048772

FINANCE

ADDENDUM

1. IMPERMISSIBLE RATE

The City will not levy a rate on the first part of the value up to R350 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 R335 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.

Penalty tariff

Unauthorised use

- (1) This penalty tariff is charged on all properties that are used for a purpose (Land use) not permitted by the zoning thereof in terms of any applicable Town Planning Scheme or Land Use Scheme; abandoned properties and properties used in contravention of any of the Council's By-laws and regulations, which include the National Building Regulations and Building Standards Act, 103 of 1977, and any Regulations made in terms thereof. This penalty tariff also covers illegal advertising as regulated by the City of Johannesburg advertising bylaw.

5.75

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

City of Johannesburg

Property Branch

66 Jorissen Street

Jorissen Place

Braamfontein

P.O.Box 1049

Johannesburg

South Africa

2000

[Tel:0860 56 2874](tel:0860562874)

Email: RatesComments@joburg.org.za

Website: www.joburg.org.za

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

ANNEXURE B

City of Johannesburg Municipality, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004, has by way of resolution adopted the Municipality's Property Rates By-law set out hereunder.

**CITY OF JOHANNESBURG MUNICIPALITY
DRAFT MUNICIPAL PROPERTY RATES BY-LAW(S) 2020/2021**

PREAMBLE

WHEREAS section 2291(1) of the Constitution requires a municipality to impose rates on property and surcharges on fees for the services provided by or behalf of the municipality.

AND WHEREAS section 13 of the Municipal System Act read with section 162 of the Constitution require a municipality to promulgate municipal by-laws by publishing them in the gazette of the Gauteng Province.

AND WHEREAS section 6 of the Local Government: Municipal Property Rates Act, 2004 requires a municipality to adopt by-laws to give effect to the imp& ent categories of properties liable for the payment of rates:

NOW THEREFORE BE IT ENACTED by the Council of the City of Johannesburg Municipality, as follows:

1. DEFINITIONS

In this by- law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act No 6. Of 2004, as amended, shall bear the same meaning unless the context indicates otherwise.

'Municipality' means the City of Johannesburg Municipality;

'Property Rates Act' means the Local Government: Municipal Property Rates Act, 2004(Act No 6 of 2004) as amended;

FINANCE

'Rates Policy' means the policy on the levying of rates on rateable properties of the City of Johannesburg Municipality, contemplated in chapter 2 of the Municipal Property Rates Act.

2. OBJECTS

The object of this by-law is to give effect to the implementation of the Rates as contemplated in section 6 of the Municipal Property Rates Act.

3. ADOPTION AND IMPLEMENTATION OF RATES POLICY

3.1 The Municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on the levying of rates on rateable property within the jurisdiction of the municipality : and

3.2 The Municipality shall not be entitled to levy rates other than in terms of its Rates Policy.

4. CONTENTS OF RATES POLICY

The Rates Policy shall, inter alia:

4.1 Apply to all rates levied by the Municipality pursuant to the adoption of its Annual Budget ;

4.2 Comply the requirements for :

4.2.1 the adoption and contents of a rates policy specified in section in section 3 of the Act;

4.2.2 the process of community participation specified in section 4 of the Act ;and

4.2.3 the annual review of a Rates Policy specified in section 5 of the Act.

4.3 Provide for principles, criteria and implementation measures that are consistent with the Municipal Property Rates Act for the levying of rates which the Council may adopt; and

City of Johannesburg Council 2020-05-29

COJ : MAYORAL COMMITTEE 2020-03-20

FINANCE

4.4 Provide for enforcement mechanisms that are consistent with the Municipal Systems Act, 2000 (Act No. 32 of 2000).

5. ENFORCEMENT OF THE RATES POLICY

The Municipality's Rates Policy shall be enforced through the credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

6. SHORT TITLE AND COMMENCEMENT

This By-Law is called the Municipal Property Rates By-Law, and takes effect on 1st July 2020.