

# City of Johannesburg Property Rates Policy 2014/15



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## 1. 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;

**"the Act"** means the Local Government: Municipal Property Rates Act 6 of 2004;

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

**"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;

**"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

(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;

**"indigents"** means persons registered as indigent persons in terms of the Credit Control and Debt Collection By-laws of the Council;

**"inner city"** means the Johannesburg central business district with boundaries as determined by Council from time to time;

**"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 the Council may in terms of sections 2 and 7 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

**"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;

**"threshold"** means the amount of the reduction (as defined in the Act), determined by the Council and stated in paragraph 7 below, by which the market value of residential property is lowered for rating purposes in terms of section 15 of the Act;

**“Town Planning Scheme”** means -

a town planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance 25 of 1965 and 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;

**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

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

## **2. 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 and any supplementary valuation roll,

as contemplated in Chapters 6 and 8, respectively, of the Act.

### 3. 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.
- (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
- (c) the need to alleviate the rates burden on the owners of any particular category of property specified in paragraph 7.

#### **4. DATE OF IMPLEMENTATION**

The Policy will be effective from on 1 July 2014 and is subject to review on an annual basis.

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

## 6. CLARIFICATION OF CATEGORIES OF PROPERTY

### (a) 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;
- (iv) Property zoned private open space used for recreational or sporting facilities.
- (v) Property zoned general, special, undetermined, aerodrome, amusement, null 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;
- (vi) Properties zoned cemetery, parking;
- (vii) Property for which a business or commercial consent use has been granted by the Council

### (b) Sectional Title Business

Property in this category includes:

- (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. 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) A rate levied by the Council on a sectional title unit is payable by the owner of the unit.

### (c) Sectional Title Residential

This category includes sectional title properties, zoned residential and used solely for residential purposes:

- (i) The City will not levy a rate on the first part of the value up to R200 000 of the market value as per the Valuation Roll:
  - on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
  - on the balance of the market value up to R185 000 in terms of section 15 of the Act in respect of residential properties, provided that the Council may from time to

time during its annual budget process contemplated in section 12 (2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.

- (ii) A rate levied by the Council on a sectional title unit is payable by the owner of the unit.

#### **(d) 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.

#### **(e) Residential Property**

This category includes:

- (i) Property zoned and used for residential purposes but excluding any property zoned business or commercial with a residential component or property zoned residential with a business or commercial consent use;
- (ii) 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;
- (iii) The City will not levy a rate on the first part of the value up to R200 000 of the market value of Residential Properties:
  - on the first R15 000 on the basis set out in section 17(1)(h) of the MPRA; and
  - on the balance of the market value up to R185 000 in terms of section 15 of the Act.

#### **(f) 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 rated 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 rated at the rate applicable to the purpose for which the consent has been granted;
- (iii) If a consent use is granted, the category of the property concerned will be updated in the valuation roll or supplementary valuation roll, as the case may be, to reflect residential with consent use;
- (iv) 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 rate. If approved, the residential rate 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;

- (v) 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.

**(g) Municipal**

Property owned by, or vested in, the Council is not rateable:

**(h) 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;
- (iii) Only if the property owned by the National and Gauteng Provincial Government is used for the provision of community-type services, will it be classified as "State" in which case the rate for State owned property will be applicable.

**(i) Farming**

- (i) Property in this category is limited to property zoned as agricultural/farming and used predominantly for *bona fide* farming purposes. It is a requirement that the produce of the property form the principal source of income of the property owner. This category excludes property used for purposes of eco-tourism, game farms or equestrian estates and the production of non-edible farm produce.
- (ii) Agricultural/farming property not predominantly used for *bona fide* farming purposes, shall be rated according to the category of the actual use thereof.

**(j) Public Service Infrastructure**

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

- (1) Properties zoned cemetery, community facility, parking, pedestrian mall, proposed new roads and widening, existing public roads reservoir, SAR, Spoornet and sewage farms.
- 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.

**(k) Agricultural Business**

Agricultural holdings from which a business or commercial activity is undertaken shall be rated according to the business and commercial rate unless the owner can prove that he/she is a *bona fide* farmer.

### **(l) Agricultural Residential**

Agricultural holdings shall be rated according to the tariff for this category, unless the owner can prove that he/she is a *bona fide* farmer.

### **(m) Agricultural Other**

- (i) This category consists of agricultural holdings that are not used for residential or business (for example, nursery) purposes.
- (ii) Agricultural holdings where an industrial or horticultural activity is undertaken shall be rated according to the business and commercial rate unless the owner can prove that he/she is a *bona fide* farmer.

### **(n) Vacant Land**

This category includes the following:

- (i) Land without a zoning, zoning unresolved, deproclaimed mining land and any undeveloped land/ erf within a proclaimed township or within a land development area contemplated in the Development Facilitation Act, 67 of 1995 not transferred by a developer.
- (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.
- (iii) The tariff applicable to vacant land will take precedence over the tariff applicable to the property category where such land is vacant.
- (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.

### **(o) 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.

### **(p) Education**

This category refers to property owned by educational institutions or zoned institutional that are registered with the South African Revenue Services in terms of Section 30 of the Income Tax Act 58 of 1962 that provide education and development services as contemplated in Item 4 of the Ninth Schedule to that Act.

### **(q) Religious**

This category refers to property zoned religious or ecclesiastic registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office –bearer of that community who officiates at services at that place of worship.

### **(r) Private Service Infrastructure-Private**

Property falling within this category shall be rated at the rate applicable to Public Service Infrastructure. This includes:

- (i) Privately owned land comprising a developed internal roadway network and access control that cannot be separately sold within a complex.
- (ii) Storm-water control measures within a complex.

**(s) Private Open Space**

Private open spaces include recreational, sporting facilities. Property in this category shall be rated at the tariff applicable to public service infrastructure provided that:

- The property is used 80% for sports activities;
- The Club is actively and it must prove to the City that it is involved in sports development programmes for previously disadvantaged communities;
- The organization is registered with SARS and an association without gain;
- The organization provides to the City 3 years audited financial statements and can prove to the City that it is not in the financial position to pay the full rates;

**(t) Public Benefit**

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

- The Public benefit organisation shall apply to the City to be recognised as such.
- The Public benefit organisation providing the City with 3 years audited financial statements and can prove to the City that it is not in the financial position to pay the full rates.
- 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.
- 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.

**(u) Multipurpose Residential**

- (i) This category comprises 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 but will not attract any residential rebates.
- (iii) To qualify for the residential rate the owner must submit a declaration duly certified as correct by a registered town planner 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) 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 property with multiple zonings, one of which is business/commercial purposes.
- (ii) Where the property is actually used predominantly (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.
- (iii) If the dominant use is not business/commercial but some other permitted use, the rate applicable to the predominant use will apply.

**(w) Illegal use**

- (i) This category comprises all properties that are used for a purpose not permitted by the zoning thereof; abandoned properties and properties used in contravention of the Council's by-laws and regulations.
- (iii) The rate applicable to this category is the rate applicable to vacant land.

**Any property not falling within the ambit of category (a) to (w) that is zoned and used for different purposes other than what is covered in category (a) to (w) 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 (w).**

**7. CATEGORIES AND CONDITIONS OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES**

**(1) Indigent owners**

- (a) This category consists of residential properties owned and occupied by natural persons who have limited income and who are not pensioners, but can show that his or her annual income falls below the limit determined by Council.
- (b) The conditions are as follows:
  - (i) The owners must own and occupy the property concerned.
  - (ii) The owners must achieve a score on the City of Johannesburg Poverty Index as specified below.
  - (iii) The value of the property may not exceed R450 000.
  - (iv) An owner of property in this category must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by a copy of the applicant's most recent income tax assessment issued by the South African Revenue Service or other proof of income acceptable to the Council.
  - (v) A rebate shall be granted for a maximum period of duration of the Valuation roll provided that:
    - (aa) if the status of the beneficiary changes within the period of duration of the Valuation roll, it shall be necessary to reapply; and
    - (bb) the beneficiary shall notify the Council in writing of any event changing his financial status that may affect the granting of the rebate.

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

(vi) No retrospective rebates will be granted.

(vii) After a beneficiary has reached the age of sixty years, a new application will be necessary.

(c) The extent of the rebate will depend on the applicant's score on the City of Johannesburg Poverty Index:

- greater than zero but not exceeding 34 points: 70% of the current monthly rate;
- greater than 35 points: 100% of the current monthly rate.

**(2) Owners dependent on social assistance**

(a) This category consists of residential properties owned and occupied by persons who are dependent on social assistance in terms of the Social Assistance Act, 59 of 1992, as their sole source of income.

(b) The conditions are as follows:

(i) The owners must own and occupy the property concerned;

(ii) The owners must achieve a score on the City of Johannesburg Poverty Index as set out below.

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

(iv) The owner must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by a copy of the applicant's Social Security card;

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

(aa) if the status of the beneficiary changes within the period of General Valuation Roll, it shall be necessary to reapply; and

(bb) the beneficiary shall notify the Council in writing of any event that changes his/her financial status that may affect the granting of the rebate,

(cc) the rebate shall be 100% of the current monthly rate.

**(3) Owners dependent on pensions**

(a) This category consists of residential properties owned and occupied by pensioners who are not persons contemplated in paragraph (2) above.

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

(i) The owner must have reached the age of 60 years;

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

c. Emergency services

d. Johannesburg Metropolitan Policy

- (iv) This category also applies to property owners who have become pensioners due to injury;
  - (v) An owner of a property in this category, must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by his/her most recent income tax assessment issued by the South African Revenue Service or other proof of income acceptable to the Council;
  - (vi) A rebate shall be granted for a maximum duration of the Valuation roll provided that:
    - (aa) it shall be necessary to reapply if the status of the beneficiary changes within the period; and
    - (bb) the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate.
  - (vii) No retrospective rebates will be granted.
  - (viii) Application shall be made prior to the expiry of the validity period of any existing rebate.
  - (ix) A new application must be made after a beneficiary has reached the age of sixty years.
- (c) The rebate shall be as follows:
- (i) If a pensioner receives a National Security Grant, he/she qualifies for a 100% rebate.
  - (ii) If a pensioner, age 70 and above, he/she qualifies for a 100%, irrespective of income.
  - (iii) If a pensioner has a gross monthly income below R7 406, he/she qualifies for a 100% rebate, provided the pensioner is at least 60 years of age.
  - (iv) If a pensioner has a gross monthly income above R7 406 but less than R12 696, he/she qualifies for a 50% rebate, provided the pensioner is at least 60 years of age.

**(4) Owners dependent on pensions**

- (a) This category consists of residential properties owned and occupied by person who has become a pensioner because of injury on duty.
- (b) The conditions for this rebate are as follows:
  - (i) The owner must have been injured on duty serving in the following services
    - a. South African National defence force
    - b. South African Policy Service

- (ii) The owner must own and occupy the property;
  - (iii) The value of the property may not exceed R2 000 000;
  - (iv) An owner of a property in this category, must apply for the Council's approval of a rebate on a form prescribed by the Council, accompanied by the following documents:
    - (aa) confirmation from the employer that he or she was injured on duty and due to the injuries he or she can no longer serve in any capacity;
    - (bb) medical records that confirms the injuries;
    - (cc) proof of current income.
  - (v) A rebate shall be granted for a maximum duration of the Valuation roll provided that:
    - (aa) It shall be necessary to reapply if the status of the beneficiary changes within the period;
    - (bb) the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate;
  - (vi) No retrospective rebates will be granted.
  - (viii) Application shall be made prior to the expiry of the validity period of any existing rebate.
  - (ix) A new application must be made after a beneficiary has reached the age of sixty years.
- (c) The rebate shall be as follows:
- 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 R7 406, 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 R7 406 but less than R12 696, he/she qualifies for a 50% rebate, provided the pensioner is at least 60 years of age.

**(5) Persons temporarily without income**

- (a) This category comprises residential properties owned and occupied by natural persons temporarily without income as contemplated in section 15(2)(c) of the Act.
- (b) The conditions applicable to this category are as follows:

- (i) The owner must apply monthly for the Council's approval for a rebate on a form prescribed by the Council, accompanied by such proof as the Council may reasonably require to substantiate any entitlement to a rebate contemplated in this category;
- (ii) The rebate contemplated shall be granted on a monthly basis and shall be subject to such limitations as the Council may determine from time to time.

**(6) Heritage properties**

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

**(7) Residential sectional title properties**

- (a) This category comprises all residential sectional title properties.
- (b) A rebate of 10% of the current monthly rates will be applied.

**(8) 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.

**(9) High density residential development**

- (a) The category consists of properties on which a high density residential development (including sectional title units) is undertaken.
- (b) The property must be developed at a density (determined by the Council).
- (c) The rebate is 10% of the current monthly rates.

**(10) 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.

**(11) Vacant land**

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

**(12) Housing Development Schemes for Retired Persons**

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

**(13) Registered Social Landlords**

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

**(14) 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, 000 000.00;
  - (ii) The property must be owned by a terminally ill parent or the child or deceased estate of the parent;
  - (iii) The terminally ill parent or his or her children must annually apply for the rebate. The application must be accompanied by:
    - (aa) confirmation from the Social worker appointed by Council that has investigated the minors of the household and found that the permanent occupants are minors and the household is headed by a minor;
    - (bb) if the parent is deceased,
      - a copy of the Letter of Executorship of administration of the deceased estate;
      - a copy of the liquidation and distribution account showing transfer of the property to the minor;
      - the death certificate of the parent;
    - (cc) if the parent is terminally ill, a certified copy of a medical report confirming his/her status;
    - (dd) birth certificates of all minors residing on the property.
  - (iii) The rebate will lapse:

- (aa) when the child head of the household reaches the age of majority;
  - (bb) on alienation of the property;
  - (cc) when the child head of the household ceases to reside permanently on the property;
  - (dd) when the Department of Social Development no longer regards the household as being child headed; or
  - (ee) when applications are not submitted annually (late applications may be reinstated with effect from the next practical billing cycle).
- (c) The applicable rate shall be a maximum of 100% of the current monthly rates.

**(15) New building Incentive**

- (i) The rebate will apply to new building developments that would take place within the identified Corridors of Freedom in line with the Growth and development Strategy 2040.
- (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 rebate will be applied as follows.
  - a. The property owner will pay a quarter of the rate as per the category of land for a period not exceeding two years during the construction phase.
  - b. The property owner will pay half the rate on the first year of operation as per the category of land.
  - c. The property owner will pay full rates as per the category of property from the second year of operation onwards.
- (v) The developer must apply to Council for this rebate.

**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.**

**8. 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.

## **9. 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.

(4)

(i) 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.

(ii) Liability for, and payment of, rates is governed by the Act and the City's Credit Control and Debt Collection By-Laws and Policy.

(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.

(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

## **10. 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.

## ADDENDUM

### City of Johannesburg Rates 2014/2015

No	Property Category Rates Tariffs: 2014/2015	(Cents in the Rand)
1	Agricultural Residential	0.005545
2	Agricultural Business	0.017252
3	Agricultural other	0.005545
4	Residential	0.006161
5	Consent use	0.012322
6	Business and Commercial	0.017252
7	Sectional title business	0.017252
8	Sectional title residential	0.006161
9	Sectional title other	0.006161
10	Municipal property	0
11	Farming	0.001540
12	Mining land	0.017252
13	Vacant land	0.024645
14	PSI	0.001540
15	PSI privately owned	0.001540
16	Private open spaces	0.001540
17	State	0.009242
18	Public benefit	0.001540
19	Education	0.001540
20	Religious	0
21	Multipurpose Residential	0.006161
22	Multipurpose Business	0.017252
23	Illegal use	0.024645

## City of Johannesburg Rates Ratios

No	Category	Ratio's
1	Agricultural Residential	0.9
2	Agricultural Business	2.8
3	Agricultural other	0.9
4	Residential	1
5	Consent use	2
6	Business and Commercial	2.8
7	Sectional title business	2.8
8	Sectional title residential	1
9	Sectional title other	1
10	Municipal property	0
11	State	1.5
12	Mining land	2.8
13	Vacant land	4
14	PSI	0.25
15	PSI privately owned	0.25
16	Private open spaces	0.25
17	Multipurpose Residential	1
18	Multipurpose business	2.8
19	Public benefit	0.25
20	Education	0.25
21	Religious	0
22	Illegal use	4
23	Farming	0.25

**City of Johannesburg**  
Property Rates department

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