

# MORETELE LOCAL MUNICIPALITY



## FINAL RATES POLICY FINANCIAL YEAR: 2024-2025

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## 1. PREAMBLE

The municipality derives its power to levy rates from section 229(1) of the Constitution of the Republic of South Africa.

The obligation on a Council of a municipality to adopt and implement a rates policy on the levying of rates on rateable property is derived from the following legislation:

- Section 3(1) of the Municipal Property Rates Act, Act 6 of 2004, **As Amended** (MPRA).
- Section 62(1) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The policy of the Moretele Local Municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Municipal Property Rates Act (MPRA) and Municipal Finance Management Act (MFMA) including any regulations promulgated in terms of these Acts.

The rates policy only rules the rating of valued property which are valued according to the Municipal Property Rates Act, Act 6 of 2004, **As Amended** and its regulations as published under Government Notice 1856 of 2005 in Government Gazette 28113 dated 13 October 2005 and does not rule or

guide the processes of property valuation and approval of the valuation roll.

As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within the Moretele Local Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in Section 15 of the MPRA and includes:

- cemeteries
- sport grounds for exercising amateur sport
- properties owned by welfare organisations
- The rates policy sets out the broad policy framework within which the
- municipality rates its area as per Section 3 of the MPRA, and gets annually

- reviewed and, when necessary, amends the municipality's rates of
- assessment as per section 5 of the MPRA.

## 2. DEFINITIONS

### **"Act"**

Means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004 as amended) and "MPRA, 2004" shall have the same meaning;

### **"Agricultural property"**

Means a property that is used primarily for agricultural purposes but, without derogating from section 9 of the Act, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of [a] the property for the purpose of ecotourism or for the trading in or hunting of game

### **"Business/commercial"**

- 1 Means a property used for the activity of buying, selling or trade in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such business.
- 2 In instances where entry fee is charged to the property;
- 3 Property used for the provision of commercial accommodation;
- 4 Property used for education purposes that are privately owned;
- 5 Office blocks, retail shops, shopping centres, showrooms, petrol filling stations & private hospitals and clinics.
- 6 Property excluded from any other category of property.

### **"Category"**

(a) In relation of property, means a category of properties determined in terms of section 8: and

(b) In relation to owners of properties, means a category of owners determined in section 15(2)

(c) – The criteria used in determining the categories of property is based on actual use of the property

### **"Council"**

Means the Council of the Moretele Local Municipality;

**“Indigent”**

Means any household that is legally resident in the Country and reside in the Moretele Local Municipality’s jurisdictional area, who due to a number of economic and social factors are unable to pay Municipal basic services as per the Moretele Local Municipality’s Indigent Policy;

**“Industrial”**

Means a branch of trade or manufacturing, production, assembling or processing of finished or practically finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories and any office or other accommodation on the same property, the use of which is incidental to the use of such factory;

**"Land reform beneficiary"**

In relation to a property, means a person who acquired the property through the Provision of Land and Assistance Act, 1993, or the Restitution of Land Rights Act, 1994, or holds the property subject to the Communal Property Association Act, 1996.

**"Market value"**

In relation to a property, means the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

**"Mining property"**

Means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 282002)

**“MPRA”**

means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004 as amended);" new order right" means a tenure or other right in communal or other land which has been confirmed, converted, conferred or validated by the Minister in terms of section 18 of MPRA;

**"Multiple purpose"**

In relation to a property, means the use of property for more than one purpose, subject to section 9 of the Act.

**“Municipal property”**

Means any rateable or non-rateable property owned by the Municipality, **excluding** properties awaiting transfer of ownership to the potential owner (RDP).

**"Newly rateable property"**

Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:-

- (a) A property which was incorrectly omitted from a valuation roll and that reason was not rated before that date,
- (b) A property identified by the Minister by the notice in the Gazette where the

phasing in of a rate is not justified or

**“Occupier”**

Means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**“Pensioner”**

For purposes of this rates policy and eligibility for old age rebate, pensioner means any owner of rateable property who has reached the age of 60 years or more during the Moretele Local Municipality financial year;

**“Permitted use”**

Means the limited purposes for which the property may be used in terms of-

A condition of title;

A provision of the Moretele Local Municipality applicable Town Planning or Land Use Scheme as amended from time to time;

(iii) Any legislation applicable to any specific property or properties; or

(v) Any alleviation of any such restriction;

**Township Developments**

Means properties, situated in an area not ordinarily being serviced by the municipality, divided through subdivision or township establishment into (five or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development, are installed at the full cost of the developer and maintained and rendered by the owner of such estate, where such properties have not been transferred into the name of the first owner

**“Property”**

Means-

(a) Immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person;

(b) Right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(d) Public service infrastructure;

**"Property register"**

Means a register of properties referred to in section 23 of MPRA

**“Public benefit organisation property”**

Means property owned by public benefit organisations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.

**“Public Service infrastructure”**

Means publicly controlled infrastructure as defined by the Amended MPRA;

**“Public Service Property”**

In relation to the use of a property, means property owned and used by an organ of state as-

- (a) Hospitals and clinics;
- (b) Schools, pre-schools, early childhood development centers or further education and training colleges;
- (c) National and provincial libraries;
- (d) Police stations;
- (e) Correctional facilities; or
- (f) Courts of law,

But excludes property contemplated in the definition of "public service infrastructure".

**"Place of Public Worship"**

Means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-

- (a) Registered in the name of a religious community;
- (b) Registered in the name of a trust established for the sole benefit of a religious community; or

**“Rebate”**

In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the MPRA, on the amount of the rate payable on the property

**“Reduction”**

In relation to a rate payable on a property, means the lowering in terms of Section 15 of the MPRA, of the amount for which the property was valued and the rating of the property at that lower amount;

**“Residential property”**

Means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use is for residential purposes without derogating from section 9 of the Act;

(a)Used for residential purposes only, with not more than two dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. (Any such grouping shall be regarded as one residential property for rates rebate or valuation reduction purposes if any), or

(b)A unit registered in terms of the Sectional Title Act, used primarily for residential purposes.

(c)The following properties are specifically excluded from the definition and will be treated as business properties:

Hotels, communes, boarding and undertakings, old age homes, guesthouses, retirement villages, life right schemes, commercial accommodation, flats and residential properties with other permitted use

**"Rate".**

Means the cent in the Rand of the market value of a rateable property that may be levied on the rate payer as may be determined by the Council from time to time during the Municipality's budget process;

**"Rateable property"**

Means property on which Municipality may levy a rate subject to the criteria to be applied as defined in this policy, excluding property fully excluded from the levying of rates in terms of Section 17 of the MPRA;

**"Ratio"**

In relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**"Sectional title unit"**

Means a section of a building together with its undivided share in the common property apportioned in accordance with the participation quota of the section;

**"Vacant land"**

Means any vacant land including farmland where no immovable improvements have been erected, or no agricultural activity is taking place, and township developments.

### 3. STRATEGIC FOCUS

#### 3.1 POLICY OBJECTIVES

- to ensure certainty and clarity as to amounts payable in respect of property rates;
- to ensure the promotion of efficient, economic and effective use of resources;
- to promote development and endeavour to attract investment for job creation;
- to spread the rates burden impartially, fairly, equitably and without bias;
- to create an opportunity for public participation in policy making;
- to contribute towards the accountability of the municipality;
- to contribute towards the transparency of the municipality;
- to contribute towards the financial sustainability of the municipality; and
- to protect citizens against exploitation by the municipality.



## 3.2 PRINCIPLES OF TAXATION

- an **autonomous tax** – the determination and levying of the tax will be in the discretion of the Council of the municipality;
- a **productive tax** – an appropriate difference between the income and the cost of the tax;
- a **broad as possible tax base** – the base is the valuation roll, with as little as possible tax avoidance and – evasion;
- a tax, which takes **ability-to-pay and benefits** received into account in ensuring horizontal and vertical fairness;
- a **progressive tax system**, which in relation taxes the rich more than the poor;
- a tax, which **attracts the correct activities** to the municipality, ensuring a caring municipality, and discourages, unwanted activities;
- an **impartial tax** with exemptions, reductions and rebates where appropriate;
- an **easy tax system** that simplifies calculating, enquiries, payments and making arrangements;
- a **simple tax**, which ensure low administration -, compliance – and collection costs;
- **sureness of the tax** and the income from this source;
- a **tax with which** the citizens of the municipality **can identify** and which breeds high tax morality;
- a **tax system** and – policy, which is subject to *community participation and social control*.

## 3.3 Determining the rate on property, exemptions, rebates and reductions

The Council of the municipality has to annually consider:

- the impact of rates on the community;
  - the impact of rates on businesses;
  - the current economic climate;
  - the integrated development plan (IDP) of the municipality;
  - the town development strategy and financial plan of the municipality;

Mitigating major shocks to ratepayers when moving from a site rating on the total market value (land and buildings) of a property.

## 4. ANNUAL ADOPTION OF THE POLICY

The rates policy will be reviewed annually in compliance with section 5(1) of the MPRA and according to the budget timetable tabled by the Executive Mayor in accordance with section

21(1)(b)(ii)(bb) of the MFMA with the tabling of the annual budget as per section 16(2) of the MFMA.

Community participation will take place in accordance with chapter 4 of the Local Government: Municipal Systems Act, Act 32 of 2000 and by following the processes as per sections 21A and 21B of the Municipal Systems Act, Act 32 of 2000 (as contained under section 5 of the Municipal Systems Act Amendment Act, Act 44 of 2003) as follows:

- as a document made public (section 21A):
  - displayed at the head and satellite offices and libraries of the municipality.
  - displayed on the municipality's official website (as per prescriptions contained under section 21B).
  - notified to the local community of the place, including website address, where detailed particulars can be obtained.
  - inviting the local community to submit written comments or representations to the municipality in respect of the published document.

#### **4.1. LIMITATION OF RATES INCREASES**

There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 10 of this policy.

### **6. DETERMINATION OF CRITERIA FOR LEVYING OF RATES**

The determination of rate categories to levy different rates for different categories of rateable property, were determined according to the following criteria:

#### **6.1 Use of property**

### **6. AMOUNT DUE FOR RATES**

The Council of the municipality shall as part of each annual operating budget determine a rate in the rand for every category of ratepayer.

The determination of such rate shall concur with the limits as per section 16(1) of the MPRA on property that would materially and unreasonably prejudice:

- national economic policies.
- economic activities across the municipal boundaries;
- the national mobility of goods, services, capital and labour.

and therefore, in terms of section 17(1) of the MPRA specified impermissible rates are excluded from the rating structure and are reflected as exemptions under paragraph 10.2 of the Policy.

## 7. LIABILITY FOR RATES

- 7.1 A rate levied by the municipality on a property must be paid by the owner of the property as regulated by section 24 of the MPRA.
- 7.2 When transfer of property takes place, the incidence of property rates falls as a charge on the new owner from date of registration by the Registrar of Deeds.
- 7.3 Rates are levied on an annual basis at the start of the financial year as per section 12(1) of the MPRA, but for the convenience for ratepayers raised monthly on combined consumer accounts and payable within seven (7) working days of the following month according to the payment cut-off date stipulated on the specific monthly account.
- 7.4 Annually levied property tax and tariffs may not be changed during a financial year except for the purpose of a financial recovery plan as per section 28(6) of the MFMA.
- 7.5 Arrear payment on property rates at the monthly or annually due dates, are subject to interest determined to be 3%.
- 7.6 When rates are levied in respect of a full financial year, the responsibility vests on the first day of that financial year.
- 7.7 When rates are levied in respect of a valuation in a supplementary valuation roll, and the rates on that valuation are levied for the first time, the liability to pay the rates vests on the first day of the month following the completion of the public inspection period required by section 50 of the MPRA.

- 7.8 The final day for payment of annually levied and payable rates is 30 September of the specific financial year.
- 7.9 Any decision on the determent of payment of a rate is subject to the stipulations of the municipality's credit control and debt collection policy.
- 7.10 The municipality may recover arrear rates from tenants or occupiers of rated property, or from agents of the owner of such property equal to the value of unpaid rental in terms of section 28 and 29 of the MPRA.
- 7.11 The seller of property will be liable for property rates until the necessary correspondence is received from the seller or his/her [seller] proxy informing the municipality of a change in ownership due to a sale that occurred.

## **8. VALUATION OF RATEABLE PROPERTIES**

A general valuation of all rateable properties will be undertaken and a valuation roll compiled every five (5) years. The period for which the valuation roll remains valid may be extended to seven (7) years, by the MEC.

Supplementary valuations will be undertaken on an ongoing basis in line with section 78(6) of the MPRA. The supplementary valuation remains valid for the duration of the municipality's current valuation roll. Rates on a property based on the valuation of that property in a supplementary valuation [roll] become payable with effect from – the first day of the month following the posting of the notice.

Amendments to the valuation roll to reflect changes to the owner, address, category, extent, description or other prescribed particulars as contemplated by section 79 of the MPRA will be done annually and only the electronic copy of the valuation roll will be updated.

## **9. LEVYING OF RATES**

### **9.1. PERIOD FOR WHICH RATES MAY BE LEVIED**

When levying rates, a municipality must levy the rate for a financial year, and this rate lapses at the end of the financial year for which it was levied. The levying of rates must form part of a municipality's annual budget process and at this time of its budget process review the amount in the Rand of its current rates in line with its annual budget for the next financial year.

A rate levied for a financial year may be increased during a financial year only when required in terms of a financial recovery plan (Section 28 (6) of the MFMA).

A rate becomes payable as from the start of a financial year.

## **9.2. AMOUNT DUE FOR RATES**

The Municipality shall as part of each annual operating budget determine a rate in the rand for every category.

Rates are levied in accordance with the MPRA 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. Rate may be increased or decreased in accordance with the MPRA.

## **9.3. LIABILITY FOR RATES**

A rates levied by the Municipality on a property must be paid by the owner of the property. Rates will be levied monthly. If an amount due for rates levied is unpaid by the owner of the property, the Moretele Local Municipality may recover the amount from the tenant or occupier of the property. The amount due for rates may be recovered from the agent of the owner.

Where the rates levied on a particular property have been as a result of a supplementary valuation made in terms of Section 78 (1) of the MPRA, these rates will be payable with effect from either of the dates as contemplated in section 78(4) (a),(b),(c) or (d) of the MPRA. Recovery of rates due will be in accordance with the Moretele Local Municipality Credit control and debt collection Policy.

## **9.4. ACCOUNTS TO BE FURNISHED**

- (1) Moretele Local Municipality must furnish each person liable for the payment of a rate with a written account specifying-
  - (a) The amount due for rates payable.
  - (b) The date on or before which the amount is payable;
  - (c) How the amount was calculated.
  - (d) The market value of the property;
  - (e) If the property is subject to any compulsory phasing-in discount in terms of section 21, the amount of the discount; and
  - (f) If the property is subject to any additional rate in terms of section 22, the amount due for additional rates.
- (2) A person liable for a rate must furnish the municipality with an address where correspondence can be directed to.
- (3) A person is liable for payment of a rate whether or not that person has received a

written account. If a person has not received a written account, that person must make the necessary inquiries from the municipality.

- (4) The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.

## **DEBT RECOVERY FROM CURRENT OWNER**

- (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) Moretele Local Municipality has the right to recover rates and services debts incurred by previous owners dating back up to 30 years from the current owner.

## **PROPERTIES DEVELOPED BY/FOR MUNICIPALITY**

- (1) Properties developed by/for the municipality on behalf of beneficiaries (RDP) will be individually rated until registration in the name of the beneficiary.

## **9.5. CATEGORIES FOR RATING PURPOSES**

In relation to property a category relates to properties determined in terms of Section 8 of the MPRA and in relation to owners of properties it means category of owners as determined in terms of section 15(2) of the MPRA.

The category will be determined by the actual use / dominant use of the property. The Municipal Valuer will be responsible for the categorizing of properties and the maintenance thereof as any change in use of a property may result in a change to the category.

The categories that are determined in line with section 8(1) of the MPRA amended, are:

### **CATEGORY**

Categories of rateable property for purposes of levying differential rates are determined as follows:

1. Residential properties
  2. Industrial properties
  3. Business and commercial properties
  4. Agricultural properties
  5. Mining properties
  6. Public Service Purpose properties (PSP)
  7. Public Service Infrastructure properties (PSI)
  8. Public benefit organisation property
  9. Multiple purposes properties
  10. Vacant Land
- 10.1 Residential
  - 10.2 Business and Commercial

10.3 Agricultural

10.4 Industrial

## 10 PROPERTIES USED FOR MULTIPLE PURPOSES

Properties used for multiple purposes will be assigned to a category by apportioning the market value of the property to its different uses and be rated in accordance to the different apportioned uses.

Each category shall be assessed in terms of MPRA, where a relevant tariff is applied against the market value of property less applicable rebate.

## 10 RELIEF MECHANISMS

The Council of the municipality may grant exemptions, rebates and reductions in recognition of Section 15(2) of the MPRA:

### 10.1 REBATES

When a specific category of owners of properties or the owners of a specific category of properties qualify for more than one rebate at a given time, each rebate will be calculated on the total levy amount.

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#### 10.1.1 INDIGENT REBATE

As determined by the municipality's free basic services and indigent support policy.

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#### 10.1.2 REBATE TO LIMIT THE INCREASE OF RATES

A general valuation of all rateable properties will be undertaken and a valuation roll compiled every five (5) years.

The period for which the valuation roll remains valid may be extended to seven (7) years by the MEC.

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#### 10.1.3 REBATES ON NEWLY RATEABLE PROPERTY

Newly rateable property will be phased in as follows:

- In the first financial year a rebate of 100% of the rate;
- In the second financial year a rebate of 75% of the rate;
- In the third financial year a rebate of 50% of the rate;
- In the fourth financial year a rebate of 25% of the rate; and
- In the fifth financial year and going forward the rate will be payable without any rebate

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#### 10.1.4 REBATES ON NEW PRIVATE INFRASTRUCTURE DEVELOPMENTS

A rebate of 85% in the residential rate be allowed for property where a single property become divided into 10 or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the transfer for a shorter period until the newly erected units are sold off or improved before expiry of the two (2) year period.

### 10.2 EXEMPTIONS

10.2.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 1978 (Act 100 of 1978).

10.2.2 rateable property owned by public benefits organisations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the Ninth Schedule to the Income Tax Act.

10.2.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons, and which are open to public, whether admission is charged or not;

10.2.4 national monuments including ancillary business activities at national monuments.

10.2.5 rateable property registered in the name of a trustee or trustees or any organisation which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;



10.2.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;

10.2.7 rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organisation which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organization;

10.2.8 rateable property registered in the name of a declared institution as defined in section 1 of the Cultural Institutions Act, 1969, Act 29 of 1969, or the Cultural Institutions Act (House of Assembly), 1989, Act 66 of 1989.

10.2.9 in addition to the first R65 000, 00 of exemption as per paragraph 5.3 of the policy a further rebate which will eventually be a total of 100% of levied residential rates for property owners over the age of 60 years or being the breadwinner and total dependent from their social pension and or any other pension comparable to social disability pension, subjected to the following conditions:

- (a) the combined income of land owner and his/her spouse not exceed R250 000,00 per annum.
- (b) the property is occupied by the owner.
- (c) in the case of mentally disabled property owners, proof of being instituted at an institution for the necessary care, treatment or rehabilitation.
- (d) Such owners(mentioned in a-c) must apply for the subsidy.

10.2.10 in addition to the first R65 000,00 of exemption as per paragraph 5.3 of the policy a further rebate which will eventually be a total of 100% of levied residential rates for households where a direct family member is instituted as a mentally disabled patient subject to the following conditions:

- (i) the property is occupied by the owner.

10.2.11 all properties as specified by section 17(1) of the MPRA as follows:

- on the first 30% of the market value of public service infrastructure comprising of: water, sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants, or water pumps, forming part of a water scheme serving the public.

- on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial business, or residential agricultural purposes;
- on mineral rights within the meaning of paragraph (b) of the definition of “*property*” in Section 1 of the MPRA;
- on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds; on the first R65 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:
  - (i) for residential purposes including second dwellings and duets not subject to a sectional title scheme;
  - (ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes; or
- on a property 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.

The exemptions as contained under sub-paragraphs 10.2.1 to 10.2.10 above may only be granted upon formal written applications submitted by the owners for consideration in terms of section 15(2) of the MPRA.

### 10.3 REPORTING OF ALL EXEMPTIONS, REBATES AND REDUCTIONS

10.3.1 The Municipal Manager must annually within two months prior to the end of a financial year table in Council according to section 15(3) and (4) of the MPRA with relation to the following financial year:

- (i) such exemptions, rebates and reductions;

- (ii) exclusions referred to in section 17(1)(a),(e), (g),(h) and (i) of the MPRA; and
- (iii) the phasing-in discount granted in terms of section 21 of the MPRA.

10.3.2 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's annual budget for that year as:

- (a) income on the revenue side; and
- (b) expenditure on the expenditure side.

## 11. DISCLAIMER

Any rate to be levied on rateable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.

Where a ratepayer believes that the Council has failed to properly apply this policy he/she should raise the matter with the Chief Financial Officer.

## 12. BY-LAWS TO GIVE EFFECT TO POLICY

The council of the municipality must adopt by-laws to give effect to the municipality's rates policy, its implementation and enforcement.

Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination

## 13. CONCLUSIONS

Rates constitute the primary source of revenue for the funding of those municipal services where the benefits is shared by the local community and does not accrue to any individual person or rates payer.

The preservation of ratings as the local tax base is a precondition for the autonomy of local government and it is for this reason that it is incumbent upon all rates payers to honor their obligation to their municipality.