



PROPERTY RATES CHARGES

FOR THE 2016/2017 FINANCIAL YEAR



CHARGES FOR PROPERTY RATES FOR THE FINANACIAL YEAR 2015/16

1. DEFINITIONS

“Act” means the Local Government: Municipal Property Rates Act, 2004 (No. 06 of 2004)

“By-Law” means the Mbombela Municipal Property Rates By-Law promulgated in terms of section 6 of the Act

“Municipality” means the Mbombela Local Municipality

2. THE FOLLOWING DETERMINATIONS SHALL COME INTO EFFECT FROM 01 JULY 2016

- 2.1 The general rate shall be **0.8961 cent in the Rand** before considering any applicable rate ratios in terms of part eight of the by-law.
- 2.2 The rate shall be based on the market value of all rateable categories of properties appearing on the general valuation roll and subsequent supplementary valuation rolls of the municipality.
- 2.3 In terms of section 8.4 of the By-Law the following rate ratios have been applied for determination of the cent in the Rand for the different categories of properties;
 - (a) Residential Property to Residential Property the ratio shall be 1:1;
 - (b) Residential Property to Agricultural Property the ratio shall be 1:0.25;
 - (c) Residential Property to Business Property the ratio shall be 1:2.5;
 - (d) Residential Property to Government Property the ratio shall be 1:3;
 - (e) Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;
 - (f) Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25
 - (g) Residential Property to Other Property the ratio shall be 1:1.5.
- 2.4 The determination of rates for the different categories of properties before considering any applicable rebates shall be as follows;
 - 2.4.1 A cent in the Rand of 0.8961 shall be applicable to a residential property;
 - 2.4.2 A cent in the Rand of 0.2240 shall be applicable to an agricultural property;
 - 2.4.3 A cent in the Rand of 2.2403 shall be applicable to a business property;
 - 2.4.4 A cent in the Rand of 2.6883 shall be applicable to a government property;
 - 2.4.5 A cent in the Rand of 0.2240 shall be applicable to a public service infrastructure property;
 - 2.4.6 A cent in the Rand of 0.2240 shall be applicable to a public benefit organization property;
 - 2.4.7 A cent in the Rand of 1.3442 shall be applicable to other property; and
 - 2.4.8 A cent in the Rand of 0.8961 shall be applicable to a rural communal and state trust land.

3. THE FOLLOWING RELIEF MEASURES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW ON CATEGORY OF SPECIFIC PROPERTIES

3.1 EXEMPTIONS

- 3.1.1 The first R80 000.00 of a market value of a residential property shall be exempted from levying of property rates;
- 3.1.2 The first 30% of a market of a public service infrastructure property shall be exempted from levying of property rates;
- 3.1.3 A municipal property shall be 100% exempted from levying of property rates;
- 3.1.4 A place of worship, including an official residence registered in the name of the community shall be 100% exempted from levying of property rates; and
- 3.1.5 Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act shall be exempted from levying of property rates.

3.2 REBATES

- 3.2.1 In terms of criteria stipulated in section 9.4.2(a) of the By-Law the following conditional rebates shall apply to an agricultural property;
 - (a) A rebate of 7.5% shall apply if the farming activities contribute to the local economy;
 - (b) A rebate of 7.5% shall apply if the farmer provides permanent residence or decent accommodation to the farm workers and their dependents within the property
 - (c) A rebate of 7.5% shall apply if the farmer provides portable water and electricity to the dwellings of farm workers; and
 - (d) A rebate of 7.5% shall apply if the farmer provides land for cemetery or educational or recreational purposes to the farm workers within the property.
- 3.2.2 A rebate of 100% on property rates shall apply to state trust and rural communal property.
- 3.2.3 The following affordability rebates shall apply to different categories of properties;
 - (a) A rebate of 28% on property rates shall apply to a business property;
 - (b) A rebate of 30% on property rates shall apply to a residential property; and
 - (c) A rebate of 10% on a property rates shall apply to other property.

4. THE FOLLOWING REBATES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW TO CATEGORY OF SPECIFIC OWNERS OF PROPERTIES

- 4.1 Indigent owners or household shall be granted a 100% rebate on their property rates account.
- 4.2 Retired people over the age of 60 years and with annual income exceeding the threshold value in terms of indigent policy shall be granted rebates on their property rates account as follows;

Annual Income Threshold			% Rebate
R0.00	-	R116 150	100%
R114 801	-	R145 188	75%
R145 189	-	R181 484	50%
More than R181 484			25%

- 4.3 A rebate of 35% shall be granted on property rates account of an owner of a bed and breakfast, guest houses and lodges of less than 9 rooms available for guest.
- 4.4 A rebate of 35% shall be granted on property rates account of an owner of a small and micro business.

- 4.5 A rebate of 25% shall be granted on property rates account to an owner of a property in a privately developed townships or estates or complexes situated in unproclaimed areas where the municipality does not provide any community services.
- 4.6 A rebate of 10% shall be granted on property rates account to an owner of property in a privately developed townships or estates or complexes situated in proclaimed areas where the municipality does not maintain any of the community services.
- 4.7 A rebate of 100% shall be granted on property rates account to an owner of a residential and small business property and that is situated in a proclaimed township surrounded by un-surveyed and un-registered properties (in rural communal and state trust land).
- 4.8 A rebate of 100% shall be granted on property rates account to a property owned by a Public Benefit organization.
- 4.9 A rebate of 10% shall be granted to owners of specific properties situated within an area demarcated as a City Improvement District in accordance with the City Improvement Districts By-Law.
5. The following category of owners are requested to apply for the rebates as stated above in terms of part nine of the rates by-law;
- 5.1 Retired people who are 60 years of age and above;
- 5.2 Owners of bed and breakfast, guest houses and lodges;
- 5.3 Owners of small, very small and micro businesses;
- 5.4 Owners of privately developed townships, estates or complexes
- 5.5 Owners of properties used for public benefit activities; and
- 5.6 Owners of agricultural properties
6. The rate for the owners of specific properties situated within an area demarcated as a Special Rating Area (City Improvement District in terms of the City Improvement Districts By-Law) shall be determined in consultation with the Management Committee established or appointed by the owners of the properties.
7. The property rates are zero-rates from VAT in terms of Value Added Tax Act.
8. Interest on property rates in arrears shall be calculated and charged at prime lending rate as determined by the South African Reserve Bank which shall be applicable at 30 June 2016 plus one percent fixed over the twelve months period of the 2016/17 financial year.

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