

PROPERTY RATES CHARGES

FOR THE 2023/2024 FINANCIAL YEAR



CHARGES FOR PROPERTY RATES FOR THE FINANACIAL YEAR 2023/2024

The City of Mbombela hereby gives notice in terms of Section 14(1) of the Municipal Property Rates Act no. 6 of 2004, that the following rates applicable to all the rateable property in the municipal area of the former Mbombela Local Municipality appearing in the valuations roll(s), have been determined and accepted with an unanimous decision of Council under item **A (3)** of Council meeting held on 31 May 2023.

1. DEFINITIONS

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

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

“Municipality” means the City of Mbombela

“Rates Policy” means the Mbombela Municipal Property Rates Policy adopted in terms of section 3 of the Act

2. THE FOLLOWING DETERMINATIONS SHALL COME INTO EFFECT FROM 01 JULY 2023

2.1 The general rate shall be **0.00825 cent in the Rand** before considering any applicable rate ratios in terms of part six of the Municipal Property Rates Policy.

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 6.4 of the Rates Policy the following rate ratios have been applied for determination of the cent in the Rand for the different categories of properties;

2.3.1 Residential Property to Residential Property the ratio shall be 1:1;

2.3.2 Residential Property to Agricultural Property the ratio shall be 1:0.25;

2.3.3 Residential Property to Business and commercial Property the ratio shall be 1:2.25;

2.3.4 Residential Property to Industrial Property the ratio shall be 1:2,25;

2.3.5 Residential Property to Government/State Owned Property and used for Public Service Purposes the ratio shall be 1:2.75;

2.3.6 Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;

2.3.7 Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25;

2.3.8 Residential Property to Mining Property the ratio shall be 1:2.25

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 0.0825 shall be applicable to a residential property;
- 2.4.2 A cent in the Rand of 0.0206 shall be applicable to an agricultural property;
- 2.4.3 A cent in the Rand of 1.8560 shall be applicable to a business property;
- 2.4.4 A cent in the Rand of 2.2690 shall be applicable to a government property;
- 2.4.5 A cent in the Rand of 0.0206 shall be applicable to a public service infrastructure property;
- 2.4.6 A cent in the Rand of 0.0206 shall be applicable to a public benefit organization property;
- 2.4.7 A cent in the Rand of 0.0000 shall be applicable to a rural communal and state trust land.
- 2.4.8 A cent in the Rand of 1.8560 shall be applicable to a mining property.

3 THE FOLLOWING RELIEF MEASURES SHALL APPLY IN TERMS OF SECTION 8.2 OF THE PROPERTY RATES POLICY TO CATEGORY OF PROPERTIES

3.1 EXEMPTIONS

- 3.1.1 The first R15 000 of a market value of a residential property is excluded from rating in terms of section 17 (1) (h) of the Act and a further or additional market value of R 110 000 on residential shall be exempted from levying of property rates;
- 3.1.2 The first 100% of a market of a public service infrastructure property shall be excluded from levying of property rates and be phased out in terms of section 93A of the Act;
- 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% excluded 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 excluded from levying of property rates.

3.2 THE FOLLOWING REBATES SHALL APPLY IN TERMS OF SECTION 8.3 OF THE PROPERTY RATES POLICY TO SPECIFIC CATEGORY OF OWNERS OF PROPERTIES

- 3.2.1 Indigent owners or household shall be granted a 100% rebate on their property rates account.
- 3.2.2 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	-	R157 900	100%
R157 901	-	R176 563	75%
R176 564	-	R220 704	50%
More than R220 705			25%

3.2.3 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.

3.2.4. A rebate of 35% shall be granted on property rates account of an owner of a small and micro business.

3.2 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.

3.3 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.

3.4 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).

3.5 A rebate of 100% shall be granted on property rates account to a property owned by a Public Benefit organization.

3.6 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.

3.7 100% rebates shall be granted as from proclamation date of a township and shall not exceed a period of twenty four (24) months. Thereafter a rebate of 75% year 1, 50% year 2 and 25% year 3 shall apply and /or terminated when a transfer to the third party takes and / or certificate of occupation is issued, whichever comes first. If after the phase in period the developer still holds unsold stock, they can petition the municipality for further relief. Such relief will be at the discretion of council.

4 THE FOLLOWING CATEGORY OF OWNERS ARE REQUESTED TO APPLY FOR THE REBATES AS STATED ABOVE IN TERMS OF SECTION 8 OF THE PROPERTY RATES POLICY;

- 4.1 Retired people who are 60 years of age and above;
- 4.2 Owners of bed and breakfast, guest houses and lodges;
- 4.3 Owners of small, very small and micro businesses;
- 4.4 Owners of privately developed townships, estates or complexes;
- 4.5 Owners of properties used for public benefit activities; and
- 4.6 Owners of agricultural properties

5 The property rates are zero-rated in terms of Value Added Tax Act.

6 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 2023 plus one percent fixed over the twelve months period of the 2023/24 financial year.

**W KHUMALO
MUNICIPAL MANAGER**

**Nelspruit Civic Centre
P O Box 45
NELSPRUIT
1200**