



ETHEKWINI MUNICIPALITY

RATES POLICY

2016/ 2017

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PREAMBLE

In terms of Section 229 (1) on the Constitution of the Republic of South Africa the Municipality has the power to levy a rate on property in its area.

In terms of Section 3 (1) of the Local Government: Municipal Property Rates Act 6 of 2004 (hereinafter referred to as the MPRA) and Section 62(1)(f) of the Local Government: Municipal Finance Management Act 56 of 2003 (hereinafter referred to as the MFMA), a Municipality should adopt and implement a policy on the levying of rates on rateable property.

This document sets out the rates policy of the eThekweni Municipality and must be read in conjunction with the eThekweni Municipality Property Rates Bylaw and the Local Government: Municipal Property Rates Act.

PURPOSE

The objective of this policy is to regulate the power of the Municipality to impose rates on property in a sustainable, fair and equitable way.

DEFINITIONS

In addition to the Definitions provided for in the MPRA the following Definitions apply for the purpose of this Policy-

"Act" means Local Government: Municipal Property Rates Act, No.6 of 2004;

"Additional rate" means an additional rate contemplated in sections 19(1) (d) and 22(1) (b) of the MPRA read together with clause 9 of this Policy;

"Agricultural property" means any land or buildings in respect of which there is currently an agricultural certificate issued by the Municipal Valuer;

"Audited Financial Statements" mean, for the purposes of clause 7 of the Policy: An annual report issued by an independent registered auditor or a person certified by a registered body or a certified bookkeeper expressing an opinion on financial statements. This includes a statement of financial position; a statement of financial performance; a cash-flow statement; other statements that may be prescribed; and any notes to these statements.

"Back-packer lodge" means a commercial accommodation establishment where beds are available to guests in communal, hostel type accommodation;

“Bed & Breakfast” means a commercial accommodation establishment with a maximum of 8 beds available to guests;

“Billing Cycle” means the start of the cycle on which the account is printed to the date on which it falls due and payable;

“Brownfield ” means a Brownfield development as defined in terms of the Economic Development Incentive Policy of the Municipality;

“Business and Commercial property” means:

- (a) Property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity;
- (b) Property on which the administration of the business of private or public entities takes place;
- (c) Property used for the provision of commercial accommodation;
- (d) Property used for education purposes;
- (e) Property used by the State or any organ of State; or
- (f) Property excluded from any other category of property;

“CFO” means Chief Financial Officer of the Municipality as defined in the Local Government Municipal Finance Management Act, Act 56 of 2003 or his/her delegate in terms of section 59 of the Local Government Municipal Systems Act, Act 32 of 2000;

“Commercial accommodation” means lodging or board and lodging, , in any house, flat, apartment, room, hotel, motel, Inn, guesthouse, bed & breakfast, boarding house, residential holiday resort establishment, time share, holiday accommodation, student accommodation, unit, chalet, tent, caravan, camping site or similar establishment which is regularly or systematically supplied but excludes a domicile;

“Community Tourism Organisation” (CTO) means an independent local organization registered with the Municipality’s Durban Tourism Department and the KwaZulu-Natal Economic Development, Tourism and Environmental Affairs

Department (EDTEA), responsible for the promotion of tourism establishments and tourism operators within a local area;

“Deemed Owner” means an occupant of the property which was previously governed by the Black Estates Act, and the estate has not yet been finalised, the occupant of the property shall be regarded as **“Deemed Owner”** for the purposes of the Municipal accounts only, and shall be responsible for the consolidated account, including rates. **“Deemed Ownership”** does not confer any rights to the occupants other than the liability to pay the Municipal accounts and benefit from rebates.

“Development Phasing Line” means the line demarcating the geographical area within which municipal services are mostly not available. The line defines the area within which development is generally not promoted at the time of this Policy coming into effect. See attached area on Annexure **B** hereto;

“Domicile” means the single residential property where a person has his or her permanent principal home to which he or she returns or intends to return and where he or she resides for at least 9 months in the year;

“Dominant Use” means, in relation to a multiple use property, the use that occupies greater than 1/3rd in relation to the square meter development of the property.

“Finance Agreement” means the agreement signed and entered into in terms of Section 67 of the MFMA;

“Greenfield” means a Greenfield development as defined in the Economic Development Incentive Policy of the Municipality;

“Guest-house” means a commercial accommodation establishment with a minimum of 9 and a maximum of 20 beds available to guests;

“Heritage Act” means the KwaZulu-Natal Heritage Act No. 4 of 2008;

“Holiday Accommodation” means in relation to this policy all residential properties privately owned and which are used or rented out periodically for a period up to 60 days exclusively for commercial accommodation;

“Industrial Property” means property used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw material or fabricated parts in respect of which capital and labour are involved, and includes–

- (a) The processing of raw products on the property;
- (b) The storage and warehousing of products; and
- (c) Any office or other accommodation on the same property the use of which is incidental to such activity;

“Life Rights Scheme” means a housing development scheme, with rights of occupation, as contemplated in the Housing Development Schemes for Retired Person’s Act 65 of 1988;

“MFMA” means Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003), as amended;

“Municipal Financial Year” means the year starting 1 July each year;

“Non-Profit Retirement Villages” shall bear the same meaning as contained in the Housing Development Schemes for Retired Person’s Act 1998 (Act 65 of 1988);

“Old Age Home” means for the purposes of this Policy, a residential facility of the nature contemplated in the Older Persons Act, 2006 (Act No 13 of 2006) for persons who have attained the age of 60 years or older;

“Orphanage” means a residential institution devoted to the care of children whose parents or family members are unable, or unwilling, to care for them;

“Owner” means In addition to the persons defined in the Act, includes–

- a) in relation to a property referred to in paragraph (a) of the definition of "**property**", means a person in whose name ownership of the property is registered;
- b) The administrator of the body corporate of the sectional title scheme where the common property of a sectional title scheme is at issue and there are no elected trustees of the body corporate;
- c) The administrator, where the owner of the building is a mental health care user as defined in section 1 of the Mental Health Act, 2002 (Act No. 17 of 2002);
- d) The business rescue practitioner, where the owner of the building has been placed under business rescue;
- e) The managing agent, where the owner of the building is absent from the Republic of South Africa or where the Municipality has, after reasonable attempts, not been able to determine his or her whereabouts;
- h) Every person who is entitled to occupy or use a building, or who does occupy or use a building, where –
 - (i) The owner of the building is absent from the Republic of South Africa;
 - (ii) The Municipality has, after reasonable attempts, not been able to determine the whereabouts of the owner of the building; and
 - (iii) There is no managing agent;
- i) Trustees and beneficiaries jointly, in the case of property in a trust;
- j) An executor or administrator, in the case of property in a deceased estate;
- k) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- l) A judicial manager, in the case of a property in the estate of a person under judicial management;
- m) A curator, in the case of property in the estate of a person under curatorship;
- n) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude, as joint owner together with the registered owner;
- o) A lessee, in the case of a property that is registered in the name of the Municipality and is leased by it;

- p) A buyer or a developer, in the case of a property that was sold by the Municipality and of which possession was given pending registration of ownership in the name of the buyer, beneficiary, or a developer;
- q) A fideicommissary as joint owner together with the fiduciary;
- r) Ingonyama Trust, in respect of the land vested in the Ingonyama Trust by virtue of the Ingonyama Trust Act of 1994;
- s) The National Government of the Republic of South Africa, in the case of a property that is registered in the name of a deregistered company or close corporation and where ownership thereof has accrued to the state by operation of law (bona vacantia);
- u) An owner of the property in the name of any other juristic person not mentioned in this definition of an owner;

“Primary Property” means the residential property on which the owner permanently resides for at least nine months in the year;

“Public Benefit Organisation” means a public benefit organisation as defined in section 30(1) of the Income Tax Act No. 58 of 1962;

“Rateable Rural Property” means any property on privately owned land, including land in the ownership of organs of state, situated within identified rural areas of the Municipality, where the value of each structure thereon exceeds the value as determined by Council in its budget, as the maximum reduction amount for residential property;

“Relief” means exemptions, rebates or reductions that may be granted by the Municipality in terms of this Policy;

“Residential property” means a dwelling, in any building, premises, structure, or any other place, or any part thereof, used predominantly as a place of residence or abode of any natural person **excluding** a dwelling where the dominant use is for any purpose other than residential, or where it is used in the supply of commercial accommodation;

“Rural Residential” means privately owned land, with multiple residential structures, situated within identified rural areas of the Municipality, where each residential structure does not exceed the value as determined by Council in its budget, as the maximum reduction amount for residential property;

“School Not for Gain” means for the purposes of clause 7.8 of this Policy, a school registered and operating in terms of the South African Schools Act 1996 (Act 84 of 1996), and in respect of which a tax exemption certificate has been issued by the South African Revenue Services as contemplated in Part 1 of the Ninth Schedule of the Income tax Act, 1962 (Act 58 of 1962);

“Senior Citizen” means a natural person who is over the age of 60;

“Special Rating Area or “SRA” subject to section 22 of the Act, means a geographic area, approved by Council, within which property owners agree to pay for certain services supplementary to those supplied by the Municipality. These services are financed by levying an additional rate, which is added to the rates bill of the property owners within the precinct;

“SRA Management Company” means a Non-profit company registered in terms of the Companies Act 2008 (Act 71 of 2008) to manage the SRA;

“The Municipality” means eThekweni Municipality;

“Trading Services” shall include: property used by the Municipality’s Electricity Department; Municipal Parking Areas/Buildings; Market Buildings; Municipal Entities; property used by the municipality’s water, refuse and sanitation departments; Moses Mabhida Stadium; Ushaka Marine World; ICC Durban and Durban Exhibition Centre;

“Vacant land” means land that has not been developed with any structures. Such land to assume the categories described under clause 5.6(a), (c) or (d) once an occupation or completion certificate has been issued by the Planning and Development Unit of the Municipality; and

“Value of property” means the value of the property as determined under the Act.

PROBLEM STATEMENT

Rates are necessary to fund service delivery and other municipal services and outputs. To ensure excellence in corporate governance, all municipal stakeholders must be consulted on the Municipality’s rationale to the levying of rates, and informed about the rates process.

This is the 9th review of the original Rates Policy written in terms of the MPRA and adopted in 2008.

The rates policy will be available for perusal free of charge at all municipal Customer Service centres, Sizakala Centre offices and the City Hall, Durban.

POLICY

1. INSTITUTIONAL REQUIREMENTS

- 1.1 Treasury is the responsible municipal cluster.
- 1.2 In applying the rates policy, the Municipality will meet the requirements of the MPRA and the MFMA, and any other relevant legislation.
- 1.3 Section 3 of the Act provides that the Rates Policy takes effect on the effective date of the first valuation roll prepared by the Municipality in terms of this Act.
- 1.4 Council shall review the Rates Policy, together with the Municipality’s budget, annually.

2. LIABILITY FOR RATES

- 2.1 Rates levied on property must be paid by the owner of the property.
- 2.2 Joint owners or trustees of a trust, are jointly and severally liable for payment of Rates on the property, the one paying the other to be absolved.
- 2.3 Service of accounts or documents or process on any one owner is deemed to be service on all owners.

3. AMOUNT DUE FOR RATES

- 3.1 The Municipality will, by resolution, as part of each annual operating budget process, determine a rate in the rand for every category of property.
- 3.2 Rates may be increased annually, in accordance with the budget resolution, as result of–
 - a) any increase in the Budget;
 - b) any increase in rebates, exemptions and or reductions;
 - c) any Regulatory changes to ratio's as prescribed in terms of section 19 of the Act;
 - d) any decrease in the market value of property; or
 - e) any other related reason not listed above.

4. METHOD AND FREQUENCY OF PAYMENT OF RATES

- 4.1 The Municipality shall recover a rate on a monthly basis in 12 near equal instalments, together with any supplementary rates.
- 4.2 The Municipality may recover a rate annually, on application, from owners with fifty (50) or more property rates accounts under the following conditions:

4.2.1 Such application must reach the Municipality on or before 30 April of each year and

4.2.2 Such annual amount must be paid by 31 October of each year.

4.3 The Municipality may recover a rate annually for National and Provincial Government owned property.

4.4 The payment of rates shall not be affected by reason of objections, an appeal or non-compliance with the rates policy.

4.5 The Municipality may publish a number of Supplementary Valuation Rolls during the year, in accordance with Section 78 of the MPRA. The rates, as adjusted by the Supplementary Valuation Roll, will be levied accordingly.

4.6 Unless otherwise specified in section 78 of the MPRA, relief and rates will not be raised or implemented retrospectively.

5. CATEGORIES OF PROPERTY

5.1 The Municipality may levy different Rates for different categories of Property, the details of which are published in **ANNEXURE "A" annexed** hereto.

5.2.1 Subject to clause 5.2.2 and 10.2 of this policy, the categories of property are determined according to the use of the property and the property shall be rated on such actual use.

5.2.2 Rateable Rural Property will be valued and rated in accordance with the footprint of the actual structure erected on such property.

5.3 A change in use may result in a change in the category of the property.

5.4 The Municipality does not separately value rights in the Land except:

- a) public Service Infrastructure;
- b) rights of Extension in Sectional Title Schemes; and
- c) registered Leases within identified rural areas of the Municipality.

5.5 Differential rating among the various property categories may be executed by different rate randanges for each property category.

5.6 The Municipality has identified the following categories of property in line with section 8 and 93A of the MPRA-

- a) Residential property;
- b) Agricultural property;
- c) Industrial property;
- d) Business and Commercial property;
- e) Properties owned by an organ of state and used for public service purposes;
- f) Public Service Infrastructure properties*¹;
- g) Properties owned by public benefit organisations and used for specified public benefits activities;
- h) Mining properties;
- i) Vacant land;
- j) Unauthorised or illegal development or use;
- k) Rural Residential;
- l) Rateable Rural Property;
- m) Rural property; and
- n) Development Phasing Line

5.7. Where a property is used for multiple purposes, the Municipality will assign the categories listed in 5.6 to a multiple use category.

6. CATEGORIES OF OWNERS OF PROPERTY

¹ *Will come into operation with the next General Valuation in 2022

- 6.1 The Municipality has determined the following categories of owners of property-
- a) residential;
 - b) senior citizens;
 - c) disability grantees or medically boarded persons;
 - d) child headed households;
 - e) public benefit organisations;
 - f) life rights schemes and retirement complexes;
 - g) bed & breakfasts , guesthouses and back packers;
 - h) schools not for gain;
 - i) sporting bodies;
 - j) land reform beneficiaries;
 - k) municipal;
 - l) public service infrastructure;
 - m) owners of property affected by natural and other disasters;
 - n) vacant land;
 - o) nature reserves or conservation areas; and
 - p) economic development (Greenfield and Brownfield).

7. EXEMPTIONS, REBATES AND REDUCTIONS (“RELIEF”)

- a) The Municipality may, in terms of the criteria set out in this Policy exempt a specific category of owners of properties, or the owners of a specific category of properties, from the payment of a rate levied on their property; or grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties, as determined in this clause 7.
- b) The Owner must make application for Relief in a prescribed form no later than 30 April preceding the new Municipal financial year for which Relief is sought.
- c) Once the application is approved, it must be renewed annually in the prescribed form, and must reach the Municipality no later than 30 April preceding the new Municipal financial year for which Relief is sought.

- d) The existing application will lapse should it not be renewed annually before 30 April. Relief will only be re-instated prospectively from the next practical billing cycle once a renewal application has been approved. The onus is on the beneficiary to ensure that that the Relief has been renewed.
- e) All exemptions, rebates and reductions are subject to an amount determined by a resolution of Council at its annual budget.
- f) No category of owner shall qualify for multiple rebates except for Senior citizens, Disability Grantees, Child Headed Households and Medically Boarded persons.

7.1 **RESIDENTIAL PROPERTY**

- 7.1.1 The MPRA imposes a R15 000 exclusion in the value of residential property. Accordingly, the Municipality will not levy a rate on the first R15 000 of the market value of Residential Properties as set out in section 17(1)(h) of the Act.
- 7.1.2 The Municipality may grant an additional rebate on the valuation of residential property by resolution of Council at its annual budget. This further rebate will be granted on an application basis as contemplated in 7 (b) above.

7.2 **SENIOR CITIZENS**

The aim of this rebate is to alleviate the burden on senior citizens who have a fixed income and limited resources.

- 7.2.1 Senior Citizens may be granted a rebate on the primary property, with effect from the next practical billing cycle, following the date of application, subject to the criteria set out in 7.2.2 below.
- 7.2.2 The applicant must meet the following criteria–

- a) he or she must be sixty (60) years or older;
- b) he or she must produce a South African bar coded identity document;
- c) he or she must be the owner or “deemed owner” of the domicile property. This includes co-owners who are married to each other or property owned solely by either spouse;
- d) in the case of joint ownership, all owners must meet the qualifying criteria in **7.2** or **7.3** (i.e. as a senior citizen / disabled / medically boarded person);
- e) the rebate will be granted ONLY on one property;
- f) the value of the domicile property must not exceed a value as determined by Council at its annual budget;
- g) in the case of a Trust, the Trustee/s must meet all of the above criteria and a copy of the Title Deed must be produced;
- h) in the case of a usufruct or other personal servitude, the servitude must be registered over the whole property. The holder of the personal servitude must meet all of the above criteria. A copy of The Title Deed must be produced. The holder/s of the servitude will be granted the rebate jointly on one property only; and
- i) executors or administrators of deceased estates, Liquidators and Trustees are excluded from the rebates.

7.2.3 The senior citizens rebate will lapse–

- a) on death of the applicant if applicant owns 100% of property;
- b) on application for a Revenue Clearance Certificate which results in the alienation of the property;
- c) when the Applicant ceases to reside permanently on the domicile property;
- d) when the Trustee/s no longer meet the qualifying criteria; or
- e) when the holder of the personal servitude no longer meets the qualifying criteria.

7.2.4 Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from date of inception of the rebate.

7.2.5 Council may approve further rebates at its annual budget, based on its indigence support programme and the income level of qualifying applicants.

7.2.6 For the purposes of 7.2.2(e), an owner in a Sectional Title Scheme who owns, in addition to the residential unit, a garage, parking, granny flat or storage room, on separate Title, is deemed to be the owner of ONE property.

7.2.7 For the purposes of 7.2.2(e), an owner of two or more properties which are notarially tied to each other, is deemed to be the owner of ONE property.

7.3 DISABILITY GRANTEES OR MEDICALLY BOARDED PERSONS

7.3.1 The intention of this rebate is to assist those people who have a physical or mental condition that constrains him/her from performing normal work related functions and as a consequence he/she is unable to find employment or unable to maximise his/her earning capacity.

In the spirit of this, the CFO may hear representations where an application has been rejected. The Applicant may be required to submit to further medical examinations by a Municipal appointed medical practitioner, at the expense of the Applicant. The CFO or his nominee may make a decision that is binding.

7.3.2 Disability Grantees including temporary disability grantees or Medically Boarded persons may, on annual application, be granted a rebate, with effect from the next practical billing cycle following the date of application, subject to the following:

- a) Disability grantees: the applicant must be in possession of a letter, issued by the Department of Social welfare, confirming receipt of a disability grant, or a specialist medical practitioner confirming disability and inability to work. ;
- b) Medically boarded persons: the applicant must produce a letter from the Applicant's relevant ex-employer or the underwriter for the employer confirming medical boarding;
- c) The applicant must produce a South African bar coded identity document;
- d) The applicant must reside on the domicile property;

- e) The applicant must be the registered owner of the domicile property. This includes co-owners who are married to each other or property owned solely by either spouse;
- f) Joint owners must each meet the above criteria or the criteria set out in 7.2 above (i.e. as a senior citizen / disabled / medically boarded person).
- g) In the case of a Trust, The Trustee must meet all of the above criteria. A copy of the Title Deed must be produced;
- h) In the case of a usufruct or other personal servitude, the servitude must be registered over the whole property. The holder of the personal servitude must meet all of the above criteria. A copy of The Title Deed must be produced. The holder/s of the servitude will be granted the rebate jointly on one property only; and
- i) Executors/Administrators of deceased estates, Liquidators and Trustees of Insolvent Estates and temporary disability grantees are excluded from the rebates.

7.3.3 The rebate will lapse:

- a) on death of the applicant;
- b) on application for a Revenue Clearance Certificate and on alienation of the property;
- c) when the applicant ceases to reside permanently on the primary property; or
- d) if a medically boarded person gains employment.

7.3.4 Rebates granted in error or due to false/incorrect information supplied by the applicant, will be reversed immediately from date of inception of the rebate.

7.4 **CHILD HEADED HOUSEHOLDS**

7.4.1 Property shall be classified as a “Child Headed Household” if the minors in the household have been investigated by a social worker from the Department of Social Development and declared as such. For the purposes of this rebate, the age threshold for a child headed household is an occupant under the age of 18.

7.4.2 Such Child Headed Household may receive a rebate, from a date as determined by the CFO, subject to the following–

- a) the terminally ill parent(s), the child or the deceased estate of the parent(s) as aforesaid must be the owner of the property;
- b) the application must be accompanied by:
 - i) confirmation from the Department of Social Development that the above criterion have been met and that the property is one that is a child headed household;
 - ii) in the case of deceased parents:
 - aa) a copy of the letter of Executorship or Administration of the Deceased Estate;
 - bb) a copy of the Liquidation and Distribution Account showing transfer of the property to the minors; and
 - cc) the death certificate of the parent(s);
 - iii) a certified copy of the Medical Report confirming his or her medical status if the parent is terminally ill; and
 - iv) the birth certificates of minors residing on the property;
- c) the minors must reside permanently on the property;
- d) the value of the applicant's property must not exceed a value as determined by a resolution of Council at its annual budget; and
- e) applications must be renewed annually by the Department of Social Welfare.

7.4.3 The rebate will lapse:

- a) the minor reaches the age of 18;
- b) on alienation of the property;
- c) when the minors ceases to reside permanently on the property;
- d) if the Department of Social Development no longer regards the Household as being a Child Headed Household; or
- e) if applications are not submitted annually; late applications may be reinstated with effect from the next practical billing cycle.

7.5 PUBLIC BENEFIT ORGANISATIONS

7.5.1 A Public Benefit Organisation which carries out a public benefit activity as listed below, on property registered in its name and which satisfies the criteria set out in **7.5.2**, may apply for an exemption from the payment of property rates:-

- i) Welfare & Humanitarian
Orphanage, Non-profit retirement village, Life – rights scheme; Old age home.
- ii) Health Care
Hospital, clinic or mental hospital.
- iii) Animal Welfare
Care of animals, reptiles and/or birds including the rehabilitation, or prevention of the ill-treatment thereof.
- iv) Education and Development
Training, education and/or rehabilitation of persons with severe physical or mental disability.
- v) Cultural
Cemetery and/or crematorium;
Promotion, protection, preservation or maintenance of a property with Heritage Landmark status under the Heritage Act and open to the public.

7.5.2 An Exemption shall be subject to the following conditions:

- i) The Public Benefit Organisation must own the property.
- ii) The Public Benefit Organisation must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962), and also, a tax clearance certificate confirming that the Public Benefit Organisation is in good standing.

- iii) The Public Benefit Organisation must produce its Audited Financial Statements for assessment by the CFO.
- iv) The CFO has the right to conduct a full financial analysis and credit check of the Public Benefit Organisation and to call for such other documents as may be considered relevant to the consideration of the application.
- v) All municipal accounts held in the name of the Public Benefit Organisation must be up to date at date of the application, or the Public Benefit Organisation must have concluded a suitable arrangement with the Municipality in terms of its Credit Control and Debt Collection Policy.
- vi) The Public Benefit Organisation must produce a Special Consent Authority or a Zoning Certificate from the Municipality's Land Use Management Department confirming that the use of the property is not in breach of any planning law or Planning Scheme.
- vii) The exemption will only be granted after an official application has been made and approved by the CFO.
- viii) The Municipality retains the right to refuse an application for exemption if the details supplied on the application form are incomplete, incorrect or false.
- ix) The use of any land or buildings, or any part thereof, in terms of clause **7.5.1** above, shall not be for the private pecuniary benefit of any individual, whether as a trustee in a trust, shareholder in a company or otherwise.
- x) Notwithstanding compliance with all the conditions set out in clause **7.5.2**, an application from a Public Benefit Organisation may be refused if an assessment of the Audited Financial Statements shows that the Public Benefit Organisation is not adhering to the criteria/conditions for Public Benefit Organisations as set out in Section 30 of the Income Tax Act 58 of 1962, as amended read together with the Ninth Schedule thereto.
- xi) If during the currency of any Municipal financial year, any exempted property is used for any purpose other than the purpose for which it was so exempted, the owner shall become liable to the Municipality for any rates that, had it not been for the exemption, would have been payable on the property with effect from the date the event occurred. The amount for which the owner becomes liable shall be regarded as rates in arrears

and the owner shall be liable, in addition to the rates, to pay to the Municipality interest thereon at the rate prescribed in the Municipality's Credit Control and Debt Collection Policy.

- xii) The property shall not be owned by the State.
- xiii) Application for exemption must be made on an annual basis, by no later than 30 April preceding the new Municipal Financial Year. A failure to do so will result in the Public Benefit Organisation not qualifying for the exemption for that particular Municipal Financial Year.
- xiv) An exemption granted, will apply for the full Municipal Financial Year unless the reason for granting the exemption ceases to apply during the year.

7.6 LIFE RIGHTS SCHEMES AND RETIREMENT COMPLEXES

7.6.1 Where a property does not qualify for exemption from rates under **7.5.1 (i)** above, the owner of a property on which a Life Rights Scheme or a retirement complex has been developed, may, on application, receive a rebate not exceeding an amount or a percentage as determined by Council at its annual budget.

7.6.2 Qualifying Criteria–

- a) the scheme/development must be registered in terms of the Housing Development Schemes for Retired Persons Act 65 of 1988;
- b) the scheme/development must be registered with and regulated by the South African Association for Homes for the Aged (SAHA); and
- c) the Title Deeds of the property must be appropriately endorsed.

7.7 COMMERCIAL ACCOMMODATION

On application, commercial accommodation specified hereunder, may receive a rebate not exceeding an amount and or a percentage as determined by Council at its annual budget.

7.7.1 Qualifying Criteria for Bed & Breakfast / Guest-house/Back-packer lodge/Holiday Accommodation:

- a) The owner of the property, except for Holiday Accommodation, must permanently reside on the property. In the case of a Company, Close Corporation or Trust being the registered owner, at least one director/member/trustee thereof must reside permanently on the property, subject to any of the members of such companies, close corporations and trusts not being a member of another company, close corporation or trust that owns a Bed and Breakfast establishment, Guest House or Back-packer lodge.
- b) The Bed & Breakfast / Guesthouse / Back-packer lodge/Holiday Accommodation must be registered with a CTO and **EDTEA**. The applicant must meet the criteria set by Durban Tourism and all membership fees or other fees payable to Durban Tourism and the CTO must be paid up to date.
- c) The applicant must provide details of the establishment in respect of total size of developed property, total number of rooms and facilities available to guests. This will be required to be certified by Durban Tourism.
- d) A permit/licence in terms of the “Accommodation Establishment Bylaws” and Town Planning approval must accompany the application.
- e) The CTO must certify the rebate renewal application.

7.7.1.1 Rebates

The establishment will be rated as a Business and Commercial property.

a) Bed & Breakfast / Guest-houses –

- i) Where up to 8 beds are available to guests, a rebate not exceeding an amount as determined by Council at its annual budget, will apply.

- ii) Where between a minimum of 9 and a maximum of 20 beds are available to guests, a rebate not exceeding an amount as determined by Council at its annual budget, will apply.

b) Back –packer lodges –

- i) Where up to 40 beds are available to guests, a rebate not exceeding an amount as determined by Council at its annual budget, will apply.
- ii) Where up to 80 beds are available to guests, a rebate not exceeding an amount as determined by Council at its annual budget, will apply.
- iii) Where more than 80 beds are available to guests, a rebate not exceeding an amount as determined by Council at its annual budget, will apply.

c) Holiday Accommodation–

A property let out for the purposes of holiday accommodation, may receive a rebate not exceeding an amount or a percentage as determined by Council at its annual budget.

7.7.2 Student Accommodation–

A property let out for the purpose of accommodating registered students and or learners of higher education, may receive a rebate not exceeding an amount and or a percentage as determined by Council at its annual budget and the following criteria must be met.

Qualifying Criteria:

- a) Owners must apply annually. Failure to apply will result in a lapse of the rebate.
- b) A list of students and student registration certificates must accompany the application.
- c) There must be at least four (4) learners or students occupying the property.
- d) The property must be available to students or learners for a period exceeding 180 days in any given year.

- e) Lease agreements with higher education Institutions and or with the student or learner, where applicable must be included.
- f) A copy of a permit or approval as may be required by law for the conduct of a student accommodation establishment must be provided. (e.g. planning consent; a permit/licence issued under the Accommodation Establishment Bylaws MN 228/1993), duly certified by a Commissioner of Oaths as a true copy of the original document.
- g) A clearance certificate from the Municipality's Environmental Health Unit.

7.8 SCHOOLS NOT FOR GAIN.

7.8.1 A School Not for Gain may be granted a rebate subject to the following conditions:

- a) the applicant must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962);
- b) the Municipal Manager or his nominee must approve all applications;
- c) the Municipality retains the right to refuse an application if the details supplied in the application form are incomplete, incorrect or false;
- d) the use of any land or buildings, or any part thereof, shall not be for the private pecuniary benefit of any individual, whether as a shareholder in a company or otherwise; and
- e) if during the currency of any Municipal financial year, any such land or building is used for any purpose other than the purpose for which it was so granted a rebate, the Municipality shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.
- f) The School Not for Gain must produce its Audited Financial Statements for assessment by the CFO.
- g) The CFO has the right to conduct a full financial analysis and credit check of the School Not for Gain and to call for such other documents as may be considered relevant to the consideration of the application.

7.9 SPORTING BODIES

- 7.9.1 Sporting bodies shall be rated on the value of the building area used for commercial purposes only or as stipulated in the lease agreement with the Municipality.
- 7.9.2 The building area shall exclude change rooms and store rooms necessary for the sport.
- 7.9.3 Applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962).

7.10 MUNICIPAL PROPERTIES

All municipal owned properties are exempted from property rates, except for Trading Services and Municipal owned properties where the Municipality has entered into any agreement indicating otherwise.

7.11 NATURAL AND OTHER DISASTERS

- 7.11.1 Properties that have been damaged by a natural disaster, as defined in terms of the Disaster Management Act 2002 (Act 57 of 2002) may be re-valued on application, as at date of such natural disaster, in accordance with the Act.
- 7.11.2 Where property has been damaged by causes other than that defined by the Disaster Management Act, and such damage renders the property uninhabitable, then, on application, the Municipality may grant a six month temporary rebate, from the date of damage to the property.
- 7.11.3 A further temporary rebate, may be granted thereafter, on application.

7.11.4 This provision excludes damage to property by arson.

7.12 VACANT LAND

7.12.1 Subject to clause 7.12.3 below, the Municipality may grant a reduction in market value of all vacant land, not exceeding an amount as determined by Council at its annual budget.

7.12.2 Vacant land within the development phasing line (i.e. within the hatched area as depicted on Annexure B) will not qualify for the reduction in market value.

7.12.3 Vacant land which is considered developable in terms of the Municipality's Town Planning Scheme may not be granted such reduction in market value.

7.13 CONSULATES

Consulates are exempted from paying municipal property rates, however where a Consulate claims an exemption from rates, such rates shall be payable by the Department of International relations and Co-operation.

7.14 OTHER IMPERMISSIBLE RATES

- a) The Municipality will not levy a rate where it is impermissible to do so in terms section 17 of the Act. Clauses 7.14.1 to 7.14.3 provide instances (not exhaustive) where the levying of rates is impermissible.
- b) The Municipality shall be entitled to request such documents as approved by the CFO, from owners of property, in order to ensure adherence to section 17 of the Act.

7.14.1 LAND REFORM BENEFICIARIES

In accordance with the Act, property belonging to a land reform beneficiary or his/her heirs is exempt from rates for ten (10) years from date on which the beneficiaries' Title was registered in the office of the Registrar of Deeds.

7.14.2 PUBLIC SERVICE INFRASTRUCTURE

In accordance with the Act, Public Service Infrastructure will not be rated on the first 30% of the value.

7.14.3 NATURE RESERVES / CONSERVATION AREAS

7.14.3.1 Nature Reserves and Conservation areas which are proclaimed in terms of the National Environmental Management: Protected Areas Act 2003 (Act 57 of 2003) shall be excluded from rates.

7.14.3.2 Newly Proclaimed Nature Reserves/Conservation areas shall receive exclusion upon application and production of the relevant Proclamation.

7.14.3.3 Nature Reserves not proclaimed as aforesaid, shall be rated as vacant land and may be excluded from rates, once the owners are in receipt of an Environmental Certificate in terms of **7.14.3.4** below.

7.14.3.4 Upon application to the Environment Planning and Climate Protection Department, an Environmental Certificate may be granted to owners of any piece of land or part thereof, where:

- a) The Municipality considers the land to be environmentally sensitive, e.g. it forms part of the Durban Metropolitan Open Space System (DMOSS);
- b) The land is zoned for conservation purposes or an environmental servitude has been registered in favour of the Municipality over the environmentally sensitive area; and
- c) The landowner, with the assistance of the Municipality, prepares and implements an approved management plan aimed at protecting and improving the local environment.

7.14.3.5 Where the land is not zoned for conservation purposes and an environmental servitude has not been registered in favour of the Municipality, an owner may be granted a reduction or rebate, provided the

owner has agreed to the Municipality rezoning the affected land to protect the environment.

- 7.14.3.6 The owner of a Nature Reserve / Conservation area cannot receive a reduction or rebate on the Nature Reserve/Conservation area component of the property in addition to the rate benefits in terms of **7.13.3.4** above.
- 7.14.3.7 The Environmental Certificate will lapse if the property is no longer used for bona fide environmental conservation purposes, in which event, the property will be rated on its new use from date of such use.
- 7.14.3.8 Parks and environmental protection areas within a Home Owners' Association shall receive an exemption once a servitude restricting its use is registered or the land is zoned for environmental protection.

8. AGRICULTURAL PROPERTY

- 8.1 Property shall be rated as Agricultural Property once the owners are in receipt of an Agricultural Certificate from the Real Estates Unit.
- 8.2 Upon application therefore, an Agricultural Certificate may be granted to owners of any piece of land or part thereof, on the following basis:
 - a) The Municipal Valuer is satisfied that such land is used exclusively for *bona fide* agricultural purposes or subsistence farming;
 - b) The owner must apply annually to the Real Estate Unit, by no later than 30th April preceding the start of the new Municipal year for which the certificate is sought;
 - c) The certificate must be issued by the Municipal Valuer; and
 - d) The Applicants must produce a tax certificate issued by the South African Revenue Services (SARS) proving that they are taxed as a farmer or a mill contract (e.g. in the case of sugar cane) proving that he/she is an active farmer.

- 8.3 The owner of agricultural property cannot receive reduction or rebate on the agricultural component of the property in addition to the agricultural randage.

9. SPECIAL RATING AREAS IN TERMS OF SECTION 22 OF THE ACT

9.1 DETERMINATION OF SPECIAL RATING AREAS

- 9.1.1 At the request of the community, the Municipality may, by resolution of the Council, establish a Special Rating Area, wherein an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area will be levied.

- 9.1.2 Any rebate or reduction granted in terms of section 7 of this Policy does not apply to the additional rate payable by the property owner within a SRA.

9.2 APPLICATION

- 9.2.1 An application for the determination of a special rating area must be preceded by the holding of a public meeting.

- 9.2.2 The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area with regard to the proposed boundaries and the proposed improvement or upgrading of the area.

- 9.2.3 Prior to the holding of the public meeting, the applicant must give notice by pre-paid registered post, hand delivery (with proof of receipt) or in any other manner approved by the CFO, to all owners of rateable properties within the proposed boundary.

- 9.2.4 The notice must convey the applicant's intention to apply for the establishment of a special rating area, and must:

9.2.4.1 state the purpose of such meeting;

9.2.4.2 contain details of the place, date and time when such meeting is to be held;

9.2.4.3 include the proposed boundaries and supplementary services;

9.2.4.4 include the proposed annual budget and additional property rate;

- 9.2.4.5 include final date by which objections may be lodged; and
 - 9.2.4.6 include EThekwini Municipality's address where proposals may be inspected and objections may be lodged.
- 9.2.5 The applicant must cause a notice of the application to be published in a newspaper circulating within the jurisdiction of the proposed special rating area at least 10 working days (excluding weekends and public holidays) before the meeting to which reference is made in clause **9.2.1** above.
- 9.2.6 Every notice contemplated in terms of clause **9.2.5** must state that written objections to the establishment of a special rating area, or the provisions of the motivation report and implementation plan may be lodged with EThekwini Municipality by a date specified in the notice.
- 9.2.7 Any owner of property who will be liable for paying the additional rate may submit written objections to the establishment of the special rating area, which objections must be received by EThekwini Municipality not later than 14 working days after the date of public meeting referred to in clause **9.2.1**.
- 9.2.8 The public meeting must be held not less than 10 working days (excluding weekends and public holidays) and not more than 30 working days after the date of the notice as specified in clause **9.2.4** and **9.2.5** above.
- 9.2.9 The public meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed special rating area, unless the CFO approves another venue in writing before the public meeting is held.
- 9.2.10 The public meeting must be attended by a representative from EThekwini Municipality.
- 9.2.11 Interested persons must, at the public meeting, be–

9.2.11.1 furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and

9.2.11.2 given an opportunity to ask questions, express their views and make representation.

9.2.12 The application, including the business plan and the implementation plan, and all objections must be available for inspection at the offices of the Municipality, for the period referred to in clause **9.2.7** above.

9.3 ESTABLISHMENT

9.3.1 An SRA may be established once the following criteria have been fulfilled:

9.3.1.1 the boundaries of the SRA must be defined and all properties within the area to be adjacent to each other;

9.3.1.2 the SRA must contain not less than 200 properties, or the total value of the properties must exceed a value as determined by Council from time to time; and

9.3.1.3 a Non-profit company has been registered in terms of the Companies Act 71 of 2008 to manage the SRA.

9.3.2 In order for the application to be considered, sufficient number of property owners falling within proposed boundaries must sign the form prescribed by the Municipality, from time to time, to demonstrate that:

9.3.2.1 at least 66% of owners in number and 51% of the value of the property have voted in favour of the establishment of the SRA; or

9.3.2.2 in the case of properties categorized as 'Business and Commercial', at least 51% of owners in number voted in favour of the establishment of the SRA; provided that residential owners will be zero rated in respect of the additional rate.

9.3.3 Such application shall be accompanied by the non-profit company's budget, business plan and implementation plan on the management of the SRA, by not

later than 31 August preceding the start of the new Municipal financial year for which the application is made.

9.4 STRUCTURES AND FINANCE

9.4.1 The SRA management company must enter into a Finance Agreement with the Municipality in terms of section 67 of the Municipal Finance Management Act. Funds will not be transferred to the SRA management company unless such Agreement is signed and received by the Municipality.

9.4.2 Once the SRA has been approved by a Resolution of Council at its Annual Budget meeting and the Finance Agreement has been signed, the Municipality will levy the special rate. Funds collected will be paid in terms of such Agreement.

9.4.3 The SRA management company must commence with the provisions of the implementation plan within two months of receipt of funds in the first year of operation.

9.4.4 The Finance Agreement must be renewed annually by not later than 31 December, together with the budget of the SRA for the forthcoming Municipal financial year.

9.4.5 An increase or decrease in the property valuation or a change in the category of property during the course of a Municipal financial year shall not impact on the special rate adopted by Council for that year.

9.5 AMENDMENT TO BOUNDARIES

9.5.1 The boundaries for existing SRA's may be amended, provided–

9.5.1.1 the additional areas are adjacent to the current boundaries;

- 9.5.1.2 51% of additional owners in number relating to properties categorized as Business and Commercial only, having signed the prescribed form, demonstrate their support; or
- 9.5.1.3 66% of additional owners in number ,having signed the prescribed form, demonstrate their support; or
- 9.5.1.4 66% of the existing owners in number, having signed the prescribed form, demonstrate their support.

9.5.2 Amendment to boundaries shall be treated as a new application as contemplated in clause **9.2** above, with the exception of having to form a new Management Body.

9.5.3 The new boundary may not exceed 100% of the existing boundary in size.

9.5.4 Council may limit the increase of the new geographical boundary or the number of the new properties to be incorporated.

9.6 DISSOLUTION OF A SPECIAL RATING AREA

9.6.1 An SRA may be dissolved by a Council Resolution if–

- 9.6.1.1 the Finance Agreement as aforesaid has not been renewed or honored;
- 9.6.1.2 51% of owners in number relating to properties categorized as 'business & commercial' only, having signed the prescribed form, have voted in favour of disestablishment; or
- 9.6.1.3 66% of owners in number, having signed the prescribed form, have voted in favour of disestablishment.

9.6.2 The effective date of dissolution shall be on the last day of June in the Municipal *financial year of the Council resolution.

10. PROPERTIES USED FOR MULTIPLE PURPOSES

- 10.1 Properties used for multiple purposes will, for rating purposes, be dealt with in terms of section 9(1) (c) of the Act.

11. ABANDONED, UNAUTHORISED OR ILLEGAL DEVELOPMENT / USE

Where a property is abandoned, developed or used illegally in contravention of National Legislation, and or the Municipality's By-laws, Regulations, the Land Use Scheme or any other applicable law, the Municipality may change its category to the Unauthorised or Illegal Development / Use category.

12. RURAL PROPERTY

- 12.1 Individual structures, on Rural Residential land identified by the Municipality, may be valued and rated on individual accounts notwithstanding the non-registration of any subdivisions.
- 12.2 Individual structures on Rateable rural property may be valued and rated on individual accounts notwithstanding the non-registration of any subdivisions.
- 12.3 Notwithstanding the individual accounts, the owner of the property remains liable for rates.

13. SECTIONAL TITLE PROPERTIES

- 13.1 Exclusive use areas registered with the Registrar of Deeds shall be valued together with the units concerned.
- 13.2 Exclusive use areas in terms of the Rules of the Body Corporate shall form part of the common property.

- 13.3 Units not used for residential purposes shall not benefit from residential rebates or reductions.
- 13.4 The Municipality may value real rights of extension, the owner of which shall be the Holder of such right and shall be rated in accordance with the vacant land rate.
- 13.5 Where a developer pursues a phased development, the bulk land shall be valued in accordance with **13.4** above.
- 13.6 Where rights are being traded, the rights may be included in the valuation roll.
- 13.7 Where a Share Block Company as defined by the Share Blocks Control Act 1980 (Act no. 59 of 1980) has opened a Sectional Title Register in respect of residential land and buildings to which the Share Block Scheme relates, then, only residential sectional title unit owners may qualify for rebates under 7.2, 7.3 and 7.4 above, provided they meet the necessary criteria as set out by the Municipality from time to time.

14. ECONOMIC DEVELOPMENT

- 14.1 In order to stimulate development within the City, rates rebates, as an incentive, may be granted on application and approval thereof. The rebates and criteria shall be determined annually by Council as part of the budgeting process.
- 14.2 The rates rebate (incentive) will be subject to the Economic Development Incentive Policy as approved by Council of which the Economic Development and Investment Promotion Unit is the custodian.

- 14.3 Every individual application for the rates rebate (incentive) accompanied by relevant supporting documentation, shall be approved by Council together with the agreement to be concluded between the Municipality and the owner of the property (the “Contracting Party”).
- 14.4 In relation to a Greenfield Investment, the vacant land may receive a rebate on the difference in rate randage of the intended use of the developed land, on approval of development plans based on the following criteria–
- a) rebate shall be according to category rate randage of property to approved building plan;
 - b) the rebate shall be for defined period; and
 - c) the Contracting party shall be under obligation to complete the development within a defined period.
- 14.5 In relation to a Brownfield investment, a rebate as approved by Council, on individual applications may be granted for prioritized areas earmarked by the Municipality, based on the following criteria–
- a) approved Building plan shall be in place;
 - b) the development shall be for a defined period; and
 - c) the Contracting Party shall be under a non-renewable contractual obligation to complete the development within a defined period.
- 14.6 Subject to inflation increases, the rebate shall remain the same, for the period of development and until such time as the development has been completed, as agreed in the contractual obligation between the Municipality and the Contracting Party.
- 14.7 A Rebate is:
- a) application driven;
 - b) for a defined period;
 - c) dealt with on its own merit; and
 - d) subject to the Council approval through the budget process and Budget availability.

14.8 Where a development is complete and there is subsequent occupation but transfer of ownership has not taken place, the Contracting Party shall be liable for the relevant taxes and any other municipal debt arising out of such occupation.

14.9 If the contracting party receives the rates rebate in error, the Municipality reserves the right to reverse the rebate in the manner it deems fit.

15. MULTIPLE ENTRIES IN THE VALUATION ROLL

15.1 On application, unregistered long leases on land owned by the State or a State Entity may, at the discretion of the Head: Real Estate be valued and rated per lease boundary, the costs of which shall be borne by the Applicant.

15.2 Notwithstanding such valuation and rating, the owner of the land shall remain responsible for the rates on such land.

16. PAYMENT AND RECOVERY OF RATES

16.1 Payment and recovery of rates shall be governed by the Municipality's Credit Control and Debt Collection Policy.

16.2 The lodging of an objection or appeal does not defer liability for the payment of rates beyond the date determined for payment;

17. GENERAL

17.1 The CFO or his nominee may hear representations where applications for rebates or exemptions have been rejected and he/his nominee may take a decision, based on the spirit of the Policy, which is binding.

17.2 DEFERMENT OF RATES

- 17.2.1 The Municipality may on application defer the payment of rates in terms of section 26(3) of the MPRA, only, under the following special circumstances. To qualify for deferment of rates, the Applicant
- 17.2.1.1 must be temporarily unemployed for a period not exceeding 3 months as at the date of application; must substantiate his/her application with a letter by the Department of Labour confirming unemployment status; must produce an unemployment Insurance Fund (UIF) card; where an applicant was employed in a formal sector; must produce a permit issued by the Municipality's Business Support (Informal Trade) Unit; where an applicant was employed in the informal sector; must furnish an affidavit confirming his/her unemployment status and must produce any other relevant documents that the CFO may request from time to time;
 - 17.2.1.2 must reside permanently on the residential property concerned; and
 - 17.2.1.3 must be the registered owner of the residential property.
- 17.2.2 Application must be made in writing on the prescribed form.
- 17.2.3 Subject to clause 17.2.5, a deferment period shall endure for a period of 6 months, calculated from the date of approval.
- 17.2.4 The Municipal account must be up to date at the date of application, in order for the application to be considered.
- 17.2.5 Any deferment granted in terms hereof shall terminate immediately–

- 17.2.5.1 upon the death of the registered owner; provided that the Council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
- 17.2.5.2 upon the expropriation, sale or other disposal of the property concerned;
- 17.2.5.3 upon the owner ceasing to reside permanently on the property concerned;
- 17.2.5.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment;
- 17.2.5.5 Upon the applicant becoming formally or informally employed or trading for his/her own account; or
- 17.2.5.6 on expiry of the period of deferment.

17.2.6 Deferment of rates payment will not be granted simultaneously with any rates rebate provided in this Policy, i.e. the ratepayer will not enjoy a deferment simultaneously with a rebate.

17.2.7 It is recorded that certain unsold properties within Special Zone 91, being the Point Waterfront development, the area of which is depicted on the Municipality's Planning Scheme Map, are the subject of rates deferment granted to the developer and registered owner of the sites, Durban Point Development Company Pty Ltd, in which the Municipality has a 50% shareholding interest.

Per Council resolution dated 28 October 2015, and in terms of section 26(3) of the MPRA, Council approved the deferment of rates in respect of properties still registered in the name of the Durban Point Development Company Pty Ltd, for the period 1 July 2014 to 30 June 2019 with the proviso that when transfer of any land parcel takes place to any other party, rates will become payable by the new owner and the deferred portion on the property in question, will be due and payable. Any rates accrued up to the point of sale on the remaining properties will remain deferred until the expiration

of the deferment period of 30 June 2019, at which date the entire accumulated amount will become due and payable.

18. SUPPLEMENTARY VALUATIONS

18.1 Subject to section 18.2 below, rates on a property based on the valuation of that property in a supplementary valuation will become payable as determined in terms of section 78 of the Act.

18.2 In the case where there was a change in the category of a rateable property as contemplated in section 78(1)(g) of the Act, rates on such property shall become payable on the date on which the change of category occurred or on the date on which the supplementary valuation reflecting the change, was completed, whichever date is the earlier subject to the provisions of section 18.3 and 18.4.

18.3 If it is not possible to determine the exact date on which the change of category occurred, the CFO may determine such date and may have regard to the following:

18.3.1 the date of issue of a Certificate by the Development Planning and Environmental Management Department indicating abandoned, unauthorized or illegal development/use as contemplated by section 11 of this Policy;

18.3.2 the date of issue of a Certificate by the Real Estate Unit following an inspection of the property;

18.3.3 any records or correspondence confirming the date of change of category;

18.3.4 any enforcement /compliance or other notice issued in terms of any law, indicating a change of category; and

18.3.5 any other factors which the CFO deems relevant.

18.4 Where the CFO has determined that the date on which the change of category referred to in section 78 (1)(g) of the Act preceded the date of transfer of the

property to the current owner of the property, the date on which the change of category occurred will, for the purposes of section 78(4)(e) of the Act, be deemed to be the date of transfer to such current owner.

19. POLICY EVALUATION AND REVIEW

Practical implementation issues, legislative requirements and where applicable, statistics are used to evaluate and review this policy. This policy is reviewed annually in terms of the MPRA.

THE RATES POLICY WILL BE AVAILABLE FOR PERUSAL FREE OF CHARGE AT ALL MUNICIPAL OFFICES AND THE CITY HALL, DURBAN.

ANNEXURE A

Rate Code	Rating Category
1	Residential property
2	Agricultural property
3	Vacant Land
4	Industrial Property
5	Business and Commercial Property
8	Public Service Infrastructure properties
9	Development Phasing Line
22	Unauthorised or Illegal Development/Use
4	Mining Properties
1	Rateable Rural Property
1	Rural Property

ANNEXURE B

DEVELOPMENT PHASING LINE

