



SCHEDULE "1"

EKURHULENI METROPOLITAN MUNICIPALITY

DETERMINATION OF ASSESSMENT RATES TARIFFS FOR THE 2011/2012 FINANCIAL YEAR

The Ekurhuleni Metropolitan Municipality determined Assessment Rates Tariffs for the 2011/2012 Financial Year under Resolution A-F(33-2011) at the Council Meeting held on 20 April 2011 as follows

1. **That** in terms of Sections 2, 7, 8 and 14 of the Local Government: Municipal Property Rates Act 6 of 2004 ("the Act"), read with Sections 4(1)(c)(ii) and 11(3)(i) and 75A of the Local Government: Municipal Systems Act 32 of 2000, the following rates in the Rand **BE LEVIED** for the financial year 1 July 2011 to 30 June 2012, on the market value of property or on the market value of a right in property within the area of jurisdiction of the Council as appearing in the valuation roll, in respect of the various categories of properties set out below:

Category	Ratio	Rate in the Rand
Residential	1.00	0.0069
Industrial	2.50	0.0174
Business and Commercial	2.00	0.0139
Farms - Agriculture	0.25	0.0017
Farms - Commercial	2.00	0.0139
Farms - Residential	1.00	0.0069
Farms - Other	0.25	0.0017
State Owned Properties	2.00	0.0139
Municipal Properties	2.00	0.0139
Public Services Infrastructure (PSI)	0.25	0.0017
Private Towns	1.00	0.0069
Smallholdings - Agriculture	0.25	0.0017
Smallholdings - Commercial	2.00	0.0139
Smallholdings - Residential	1.00	0.0069
Smallholdings - Other	0.25	0.0017
Informal Settlements	1.00	0.0069
Mining and Quarries	3.00	0.0208
Vacant Land	4.00	0.0277
Protected Areas	1.00	0.0069
National Monuments	1.00	0.0069
Multiple Purpose	2.00	0.0139

2. **That** the rates levied in terms of paragraph 1 above **SHALL BECOME DUE AND PAYABLE** in twelve equal installments on fixed days for twelve consecutive months, these being the due date stipulated in the account sent to the ratepayer.
3. **That** interest at the prime rate of the Ekurhuleni Metropolitan Municipality's bankers (currently ABSA Bank Ltd) **WILL BE CHARGED** per month or part thereof on all arrear assessment rates at the applicable interest rate, adjusted quarterly as specified in Schedule E - Tariffs for Financial Services.
4. **That** in terms of Section 15(1)(b) of the Act read with Council's Property Rates Policy, the Council **GRANTS**, the following reduction in market value and rebates on the rate levied for the financial year 2010/2011 to any owner of rateable property in the following circumstances:
 - 4.1 **That** in terms of section 17(h) of the Municipal Property Rates Act, No 6 of 2004, the impermissible value of the market value of a property assigned to the residential category in the valuation roll or supplementary valuation roll, **BE DETERMINED** as **R150 000**.
 - 4.2 **Indigent household** – Owner of residential property, registered in terms of Council's approved Indigent Policy, **BE EXEMPTED** from paying of property rates.
 - 4.3 **Child-headed households** – That a child-headed household registered in terms of Council's approved Indigent Policy, **BE EXEMPTED** from paying of Property Rates.
 - 4.4 **Aged / Pensioners reduction, Disability grantees and medically boarded persons** – That in addition to the reduction in 4.1 above and subject to requirements as set out in Council's Rates Policy, an additional reduction of **R150 000** on the market value of residential property owned by persons older than 60 years of age or registered as "Life right use" tenants in the Deeds Office (Aged / Pensioner reduction), disability grantees and medically boarded persons, **BE GRANTED**.
 - 4.5 **Aged / Pensioners rebate, Disability grantees and medically boarded persons** – That in addition to the reduction in 4.1 and 4.4 above, an additional rebate **BE GRANTED** in respect of a sliding scale based on average monthly earnings.

The applicant must:

- i. be the registered owner of the property or registered as "Life right use" tenant in the Deeds Office;
- ii. produce a valid identity document;
- iii. must be at least 60 years of age upon application, provided that where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor, **or** approved disability grantee **or** approved medically boarded person;
- iv. not be in receipt of an indigent assessment rate rebate;

- v. must reside permanently on the property concerned which consists of one dwelling only and no part thereof is sub-let;
- vi. confirm the aforementioned details by means of a sworn affidavit and / or latest income tax assessment;
- vii. On approval, the following rebates will be applicable:

Average Monthly earnings in respect of preceding 12 months	
R0.00 to R 2 160 (2 x State pensions 2010-11)	100 % rebate on assessment rates
R 2 160.01 to R 3 000.00	85% rebate on assessment rates
R 3 000.01 to R 4 500.00	70% rebate on assessment rates
R 4 500.01 to R 6 000.00	55% rebate on assessment rates
R 6 000.01 to R 10 000.00	40% rebate on assessment rates

- viii. **That** the minimum “average monthly earnings” **BE ADJUSTED** annually and effective in accordance with National Government Budget announcement in respect of state pensions.

- 4.6 **Municipal** – That non-trading services **BE EXEMPTED** from paying of property rates.
- 4.7 **Sporting Bodies** - used for the purposes of amateur sport and any social activities which are connected to sport: **90%** rebate in respect of the amount levied as rates on the relevant property, but subject to existing agreements between club and Council not determining a different position.
- 4.8 **Welfare Organisations** registered in terms of the National Welfare Act, 1978 (Act No. 100 of 1978): **100%** rebate in respect of the amount levied as rates on the property.
- 4.9 **Public benefit organizations / Non Governmental Organisations (NGO’s) and Cultural Organisations** approved in terms of section 30 of the Income Tax Act 58 of 1962, read with Items 1, 2 and 4 of the Ninth Schedule to that Act: **100%** rebate in respect of the amount levied as rates on the property.
- 4.10 **Protected areas/nature reserves/conservation areas** – That protected areas/nature reserves/conservation areas **BE EXEMPTED** from paying of Property Rates.
- 4.11 **Private schools, Universities, Colleges and Crèches:**
 - i. Private (Independent) primary and secondary schools (regardless of whether subsidized or not), registered as educational institutions: a rebate of between **70% and 100 %** in respect of the amount levied as rates on the relevant property, subject to prior application and submission of prior years audited financial statements. Rebate will be adjusted

negatively in accordance with percentage ratio between net profit and gross income in the following categories :

Net Profit after tax %			Net Rebate %
0.00 %	To	10.00 %	100 %
10.01%	To	20.00 %	90 %
20.01%	To	30.00 %	80 %
30.01 %	To	40.00 %	70 %

- ii. Private (Independent) Universities and Colleges, registered as educational institutions not subsidized by state: **20 %** rebate in respect of the amount levied as rates on the relevant property.
- iii. Crèches, registered as educational institutions: **100 %** rebate in respect of the amount levied as rates on the relevant property.

4.12 **Vacant unimproved stands** - That a **75%** rebate **BE GRANTED** on residential property on which a dwelling unit(s) is/are being constructed and which will be used exclusively for that purpose, subject to the following conditions :

- i. That an approved building plan is supplied;
- ii. That a residential dwelling unit(s) be constructed on the property;
- iii. That the 75% rebate be granted for a maximum period of eighteen (18) months from the date the approved building plan was supplied;
- iv. That the occupation certificate be supplied at the end of the eighteen (18) month period;
- v. That the failure to supply the occupation certificate will result in a reversal of the 75% rebate already granted; and
- vi. That in the event that the said property is sold prior to the issue of the occupation certificate, the rebate already granted be reversed.

4.13 **That** rebates in respect of items 4.2 to 4.12, but excluding 4.6 – Municipal and 4.10 - Protected areas/nature reserves/conservation areas, **BE SUBJECT** to the submission and approval of required applications.

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 A-F(23-2010) CM 27/02/2010
 Extra-Ordinary 123 dd 30 June 2010
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 A-F(33-2011) CM 20/04/2011
 Extra-Ordinary 107 dd 1 June 2011
 688