

CITY OF JOHANNESBURG

PROPERTY RATES POLICY 2021/2022

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Legal requirement that all municipalities must comply with in terms of the Municipal Property Rates Act, 2004(Act No 6 of 2004) with regard to Rates Policy Development.

SECTION A

DEFINITIONS /INTERPRETATION

(1) In this Policy, any word or expression to which a meaning has been assigned in the Act bears that meaning and, unless the context otherwise indicates –

"Agricultural holding" means an area of land registered as an agricultural holding under the Agricultural Holdings (Transvaal) Registration Act, No. 22 of 1919;

"Bona fide farmer" means the owner of a property who is taxed by the South African Revenue Services as a farmer;

"City of Johannesburg Poverty Index" means the poverty index determined by Council from time-to-time which index identifies levels of financial need in terms of the City's Expanded Social Package;

"Cent in a rand" means an amount in a rand as contemplated in section 11(1) of the Municipal Property Rates Act;

"Consent use" means the purpose for which land may lawfully be used, and for which buildings may be erected and used only with the consent of the Council;

"Council" means –

(a) the Metropolitan Municipality of the City of Johannesburg established by Provincial Notice No. 6766 of 2000, as amended, exercising its legislative and executive authority through its municipal Council; or

(b) its successor in title; or

(c) a structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Systems Act; or

(d) in respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it through a service delivery agreement in terms of Section 81(2) of the Systems Act or any other law, as the case may be;

“Current monthly rates” means the rate levied on a property divided into monthly payments;

“Financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the next succeeding calendar year;

“Fit for purpose built” used in connection with a structure, means that the structure is fit for use/habitation for purpose for which it was built;

“Land Use Scheme” means a land use scheme, which is in operation within the jurisdiction of the City of Johannesburg as contemplated in the Spatial Planning and Land Use Management Act, 16 of 2013, read with the COJ Municipal Planning By-law, 2016, and it includes any town planning scheme that is still in operation in terms of any old order legislation such as the Town Planning and Townships Ordinance, 15 of 1986; and any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

“Life rights scheme” means a housing development scheme, with rights of occupation, as contemplated in the Housing Development Schemes for Retired People’s Act No.65 of 1988;

“MFMA” means the Local Government: Municipal Finance Management Act, 56 of 2003;

“Mining property” means a property used for mining operations as defined in the Mineral and Petroleum Resource Act, 2002 (Act No 28 of 2002);

“Multiple purposes”, in relation to a property, means the use of a property for more than one purpose;

“Municipal property” means property owned, vested or under the control and management of the Council or its service provider in terms of any applicable legislation;

“Permitted use” means in relation to a property, means the limited purposes for which the property may be used in terms of -

- (a) any restrictions imposed by -
 - (i) a condition of title; or
 - (ii) a provision of a town planning or land use scheme; or
 - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions.

“Prescribed form” means any document that may be prescribed by law or approved by Council;

“Privately owned property” means property not owned or vested in the state or an organ of state;

“Property” means-

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; or
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; or
- (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.

“Public service infrastructure” means public service infrastructure as defined in the Act;

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

“Rateable property” means property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17;

“Ratepayer” means any owner of rateable property as well as any owner of rateable property held under sectional title, situated within the area of jurisdiction of the Council;

“Regulation” means a regulation promulgated in terms of the Act;

“School” means a school as defined in the South African Schools Act 84 of 1996;

“Sectional Titles Act” means the Sectional Titles Act, 95 of 1986;

“Sectional titles property” means sectional title units as defined in the Sectional Titles Act, 95 of 1986;

“Service provider” means a service provider contemplated in paragraph (d) of the definition of Council;

“State” in so far as it relates to property owned and used by the State, means property owned and used by the National Government and Gauteng Provincial Government for the provision of community type services, including but not limited to police stations, hospitals and crematoria. All other property owned and used by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes and police flats etc;

“State social security grant” means any social assistance granted in terms of the Social Assistance Act 59 of 1992;

“Structures Act” means the Local Government: Municipal Structures Act, 117 of 1998;

“Systems Act” means the Local Government: Municipal Systems Act, 32 of 2000;

“Technical and other colleges” means a public college and a private college as contemplated in the Further Education and Training Colleges Act, 16 of 2006;

“The Act” means the Local Government: Municipal Property Rates Act 6 of 2004 as amended;

“Threshold” means the reduction, as contemplated in Section 15 of the Act, of residential property;

“University” means any university and technikon as defined in Section 1 of the Higher Education Act 101 of 1997;

“Zoning” means the purpose for which land may lawfully be used or for which buildings may be erected or used, or both, as contained in any applicable Town Planning Scheme and “zoned” has corresponding meaning.

(2) Any word or expression –

(a) imparting any gender or the neuter includes both genders and the neuter; or

(b) imparting the singular only also includes the plural and vice versa, unless the context otherwise indicates.

LEGISLATIVE BACKGROUND

(a) The Constitution of the Republic of South Africa 1996 empowers the Council to impose rates on property.

(b) In terms of Section 4(1)(c) of the Systems Act, the Council may, inter alia, levy rates on property to finance operational expenditure of the Council.

(c) In terms of Section 62(1)(f)(ii) of the MFMA, the Municipal Manager appointed in terms of Section 82 of the Structures Act, must, in his capacity as the Council's accounting officer, ensure that the Council has and implements a rates policy.

(d) The Council:

(i) must, in terms of Section 3(1) of the Act, adopt a policy consistent with the Act on the levying of rates on rateable property in the municipality;

(ii) must, in terms of Section 6(1) of the Act, adopt by-laws to give effect to the implementation of its rates policy;

(iii) must, in terms of Section 5(1) of the Act, annually review, and may, if necessary, amend this Policy. Proposals for reviewing this Policy must be considered by the Council in conjunction with its annual operating budget;

(iv) may, in terms of Section 22 of the Act, levy an additional rate on property in a special rating area and, in doing so, may differentiate between categories of property.

(e) This Policy is drafted in compliance with the provisions of Sections 3(1) and 6(1) of the Act and must be read within the context of the Act.

(f) Rates are levied in accordance with the Act 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, as contemplated in Chapters 6 and 8, respectively, of the Act.

OBJECTIVES OF THE POLICY

The key objectives of this Policy are to:

(a) ensure that all owners of rateable property are informed about their liability for rates;

- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in Section 15 of the Act;
- (c) empower the Council to specify a threshold at which rating in respect of residential properties may commence as provided for in Section 15 of the Act read with Section 17 (1)(h), which it is hereby authorised to do;
- (d) set out the criteria to be applied by the Council if it –
 - (i) increases rates; and
 - (ii) levies differential rates on different categories of property;
- (e) provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act 58 of 1962, which are ratepayers, and may apply to the Council for relief from rates;
- (f) recognise the State and the owners of public service infrastructure as property owners;
- (g) encourage the development of property;
- (h) provide for the charging of penalty tariff on accounts of properties that have contravene the City of Johannesburg Town Planning bylaws;
- (i) ensure that all persons liable for rates are treated equitably as required by the Act;
- (j) provide that any rebate contemplated in Section B: categories and conditions of ownership for purposes of exemptions, reductions and rebates of this Policy is to benefit the owner in occupation of the property;
- (k) to determine the level of increases in rates, the criteria to be applied may include the following:

- (i) the inflation rate as indicated by the consumer price index excluding mortgage bonds;
- (ii) the financing of increased operating expenditure;
- (iii) the financing of additional maintenance expenditure;
- (iv) the additional cost of servicing debt included in the operating budget of the Council;
- (v) the augmentation of any revenue shortfall;
- (vi) the financing from the annual operating budget of expenditure related to anything the Council is lawfully empowered to do for which provision has to be made in the budget;
- (vii) the taking into consideration of the medium term budget growth factors as determined by National Treasury;
- (viii) In addition to the criteria specified in subparagraph (d) above, the following criteria is taken into account in determining whether a differential rate should be applied:
 - (1) the need to promote economic development;
 - (2) any administrative advantages in applying a differential rate; and
 - (3) the need to alleviate the rates burden on the owners of any particular category of property specified in Section B: Categories and conditions of ownership for purposes of Exemptions, Reductions and Rebates
- (l) to ensure that exemptions, rebates and reductions are granted as provided for in the Rates Policy.

DATE OF IMPLEMENTATION

The Policy will be effective from 1 July 2021 and is subject to review on an annual basis.

SECTION B

CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

- (1) The Council levies different rates for different categories of rateable property in terms of Section 8 of the Act. All rateable property will be classified in a category and will be rated based on the category of the property from the valuation roll which is based on the highest permitted use of the property, unless otherwise stated. For purposes of levying differential rates in terms of Section 8, the following categories of property are determined in terms of sections 3(3)(b) and 3(3)(c) of the Act:

City of Johannesburg rates all properties as defined in the Municipal Property Rates Act. Right in land (long term leases) and property categorised as multipurpose will be rated as provided for in the Rates Policy.

- (2) The categories are as follows:

- (a) Agricultural Business**
- (b) Agricultural other**
- (c) Agricultural Residential**
- (d) Business and Commercial**
- (e) Education**
- (f) Farming**
- (g) Mining**
- (h) Multipurpose**
- (i) Municipal**
- (j) Private open space**
- (k) Public open space**
- (l) Public Service Infrastructure**
- (m) Public Service Infrastructure-Private**
- (n) Religious**
- (o) Remainder of a township**
- (p) Residential Property**
- (q) Residential with consent use**
- (r) Sectional Title Business**
- (s) Sectional Title Other**

(t) Sectional Title Residential

(u) State

(v) Vacant Land

Category of ownership

(a) Public Benefit Organisations

Penalty tariff

(a) Unauthorised use

CLARIFICATION OF CATEGORIES OF PROPERTY

(a) Agricultural Business

- (i) Agricultural holdings and farm portions from which a business or commercial activity is undertaken shall be categorised as business and commercial
- (ii) Agricultural holdings and farm portions where an industrial or horticultural activity is undertaken shall be categorised as business and commercial.

(b) Agricultural Other

- (i) This category consists of agricultural holdings and farm portion that are not used for residential or business (for example, nursery) purposes.
- (ii) This category of property shall not benefit from residential threshold rebate

(c) Agricultural Residential

Agricultural holdings and farm portion shall be rated according to the tariff for this category, and will benefit from residential threshold, unless the owner can prove that he/she is a bona fide farmer.

(d) Business and Commercial

Property in this category includes:

- (i) property zoned for business, commercial or industrial purposes;
- (ii) property used for game farming and / or eco-tourism;
- (iii) property used as a racecourse for any racing in connection with which betting is carried on by means of a totalizator or otherwise;
- (iv) Property zoned private open space used for recreational or sporting facilities.
- (v) Property zoned general, special, undetermined, aerodrome, amusement and zoning unresolved which is used for business and commercial or industrial purposes, unless such property is used for residential purposes in which case the residential rate will be applied. The residential property value reductions and rebates will be applicable to such properties used for residential purposes. The property owner should apply at Rates and Taxes department and the category will be applicable from the date of application.
- (vi) Properties zoned and used for parking which is privately owned;
- (vii) Property zoned public open space used for recreational or sporting facilities.

(e) Education

- (i) This category refers to property built on land zoned educational/ institutional owned by educational institutions wherein if is primary school or high school that is registered with the Gauteng Department of Education, and
 - a. Also registered with South African Revenue Services in terms of Section 30 of the Income Tax Act 58 of 1962,
 - b. That provides education and development services as contemplated in Item 4 of the Ninth Schedule to that Act. Property

owner are required to provide proof of registration with the Gauteng department of Education

- (ii) College established or declared as a college under Higher Education Act no 101 of 1997; and
- (iii) University established or deemed to be established or declared as a University under Higher Education act 101 of 1997

(f) Farming (Agricultural purpose)

Property in this category includes;

- (i) Property referred to in the definition of agricultural property in the Act.
- (ii) Property zoned as agricultural/farming and used predominately for bona fide farming purpose. This category excludes property used for purposes of eco-tourism, game farms or equestrian estates, the production of non-edible farm produce and agricultural holdings /small holdings.
- (iii) Agricultural/farming property not predominantly used for *bona fide* farming purposes, shall be rated according to the category of the actual use thereof.
- (iv) Tax certificate and affidavit confirming that the property in question forms part of the farming activities.

(g) Mining

This category refers to property actually used for mining purposes or purposes incidental to mining operations, which property will be rated as if zoned business, commercial.

(h) Multipurpose

Multipurpose property will be rated in terms of category of properties used for, by apportioning the market value of the property, in a manner as determined by municipal Valuer in line with the provisions of Section 9(2)(a)(b) of the Act.

(i) Municipal

- (i) In terms of Section 7(2)(a)(1) of the Act no rates will be levied on municipal owned properties.
- (ii) Property leased to third parties in terms of a lease agreement registered in terms of the formalities in respect of the lease of Land act 18 of 1969. Where Council owned property is leased to a third party, the rating therefor shall be as per the category allocated in the Valuation roll. The City or its appointed agent will only charge rates on properties where so required in terms of the Policy, and may recover such rates from the tenant, subject to the provision set out in the lease agreement.
- (iii) If the property is zoned Municipal but belongs to a private owner, the use will determine property category.

(j) Private Open Space

Private open space includes recreational and or sporting facilities. Property in this category shall be rated at the tariff applicable to public service infrastructure provided that:

- (i) The sporting facility property is used 80% for sports activities;
- (ii) The Club is active and it must prove to the City that it is involved in sports development programmes for previously disadvantaged communities;
- (iii) The organization is registered with SARS and an association without gain;
- (iv) The organization provides the City with 3 year audited financial statements and should prove to the City that it is not in a financial position to pay the full rates;
- (v) This category of property does not qualify for the 30% value reduction as set out in Section 17(1)(a) of the Act.

(k) Public Open Space

All property zoned Public Open Space registered in the name of Council. Property zoned Public Open space not registered in the name of Council will be categorised according to their use.

(l) Public Service Infrastructure

Property falling within this category shall be charged at a rate determined by applying the prevailing ratio as prescribed by Municipal Property Rates Regulation. This category will also include properties owned by the National Government and the Gauteng Government that are zoned:

- (i) Properties zoned cemetery owned by National and Provincial Government, community facility, parking, pedestrian walk, proposed new roads and widening, existing public roads, reservoir, SAR, Spoornet and sewage farms;
- (ii) Any property not falling within the ambit of subparagraph (i) used for anything other than public service infrastructure shall be deemed to be business and commercial for the purposes of levying a rate;
- (iii) This category of property qualifies for 30% value reduction as set out in Section 17(1)(a) of Act.

(m) Public Service Infrastructure Private

Property falling into this category shall be rated at the rate applicable to service Infrastructure. This includes

- (i) Privately own land comprising a developed internal roadways network and access control that cannot be separately sold within a complex;
- (ii) Storm -water measures within the complex;
- (iii) This category of property does not qualify for the 30% value reduction as set out in Section 17(1)(a) of the Act. .

(n) Religious

The City will not levy rates on a property categorised religious that is registered in the name of the church and used primarily as a place of public worship by religious community:

- (i) The official residence registered in the name of that church which is occupied by the office bearer of that community who officiates at services of that place of worship;
- (ii) This category of property religious will excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium.

(o) Remainder of a township

All remaining extent of a township which includes one or more unsold stands, except where the remaining portions are roads in which case they will be public service infrastructure privately owned(PSIP).

(p) Residential Property

This category includes:

- (i) Property zoned residential and property zoned special for residential purpose but excluding any property zoned business or commercial with a residential component or property zoned residential with a business or commercial consent use.

(q) Residential with consent Use

- (i) Any property zoned for residential purposes in respect of which a consent use has been granted for any business, commercial or industrial purpose shall be categorised as residential with consent use;

- (ii) Consent use granted on any property other than that referred to in (i) above, will result in that property being categorised as residential with consent use;
- (iii) If consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of the property concerned may apply to the Council for the re-instatement of the residential category. If approved, the residential category shall be re-instated as from the date that the Council is satisfied that the property is being used for residential purposes only in terms of the zoning thereof;
- (iv) Where a residential property with a market value less than that specified in the threshold is partially used for non-residential consent purposes, such property will remain in the category of residential.

(r) Sectional Title Business

Property in this category includes:

- (i) Sectional Title properties that are zoned for business or have businesses operating there from;
- (ii) Where a property not zoned residential has been developed and is used exclusively as residential, the residential tariff will be applicable on application. The property owner must submit a declaration as to the purpose for which the property is being used, so that it can be rated accordingly. The residential property value reductions and rebates will be applicable to such property;
- (iii) Where a property is used for residential purposes, notwithstanding that it is zoned for any other purpose, the owner of such property may apply to the Council in writing for the levying of residential rates. The Council has the right to call for documentary evidence and/or conduct a physical inspection of the property. Where the actual usage is primarily residential, the residential rates and property value reductions and rebates will apply to such property. The

changes that will be done on the billing system will be effective from date of application.

(s) Sectional Title Other

- (i) This category includes structures within a sectional title complex zoned residential that need to be valued separately including but not limited to garages, maids quarters, security houses. These structures will be rated at the residential tariff;
- (ii) These structures will be rated at the residential tariff but will not qualify for residential threshold rebate.

(t) Sectional Title Residential

This category includes sectional title properties, zoned residential, zoned special for residential use and used exclusively for residential purposes.

(u) State

- (i) Property owned by the National and Gauteng Provincial Government is rateable and will be categorized according to the zoning of the property;
- (ii) If property owned by the National and Gauteng Provincial Government has a zoning which permits the provision of residential accommodation, the property will be categorised as "residential" and the residential rate will be applicable upon presentation of a Certificate of Occupancy;
- (iii) Only if the property owned by the National and Gauteng Provincial Government is used for the provision of community-type services, will it be categorised as "State" in which case the rate for State owned property will be applicable.

(v) Vacant Land

This category includes the following:

- (i) Land without a zoning, zoning unresolved, de-proclaimed mining land and any undeveloped land/ erf within a proclaimed township or within a land development area;
- (ii) Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy or final inspection or an affidavit proving the date of occupation.;
- (iii) Vacant land owned by an individual for development of residential property, where the construction of the property is complete within two years, the residential tariff charge will be backdated to year one. Owner of the land must apply to the Property Branch for the adjustment of the tariff;
- (iv) The rate applicable to vacant land will take precedence over the rate applicable to the category in which the property would have fallen had it not been vacant land.

Category of ownership

(1) Public Benefit Organisation

Property in this category shall be rated according to the prevailing nationally promulgated rates ratio based on usage of property subject to:

- (i) The Public benefit organisation shall apply to the City to be recognised as such;
- (ii) The Public benefit organisation shall provide the City with 3 year audited financial statements and should prove to the City that it is not in a financial position to pay the full rates'
- (iii) A public benefit organisation is required to provide a specified public benefit service as set out in terms of Section 30 of the Income Tax Act.

Penalty tariff

Unauthorised use

- (i) This penalty tariff is charged on all properties that are used for a purpose (Land use) not permitted by the zoning thereof in terms of any applicable Town Planning Scheme or Land Use Scheme; abandoned properties and properties used in contravention of any of the Council's By-laws and regulations, which include the National Building Regulations and Building Standards Act, 103 of 1977, and any Regulations made in terms thereof. This penalty tariff also covers illegal advertising as regulated by the City of Johannesburg advertising bylaw;
- (ii) The rate applicable to this category will be determined by the City on an annual basis. The City reserves the right to increase this penalty tariff higher than other tariffs.

General

- (i) Any property not falling within the ambit of category (a) to (v) that is zoned and used for different purposed other than what is covered in category (a) to (v) shall be deemed to be business and commercial for the purposes of levying a rate. This will also include any zoning that is not covered in category (a) to (v).
- (ii) Submission of registered right in land/long term leases will be processed from the date of receipt and the account will be corrected going forward. No retrospective adjustment will be done.

CATEGORIES AND CONDITIONS OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES FOR RESIDENTIAL CATEGORY.

The City of Johannesburg may, in terms of the of the criteria set out in this Policy exempt a specific category of owners of properties or owners of a specific category of property, 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 policy.

All exemption, reduction and rebates must be done on a prescribed application form at the Property Branch.

Unless indicated to the contrary in this Policy, the existing rebates, reduction and exemption will lapse at the end of the General Valuation Roll.

(a) The City will not levy a rate on the first part of the value up to R350 000 of the market value as per the Valuation Roll:

- on the first R15 000 on the basis set out in Section 17(1)(h) of the Act; and
- on the balance of the market value up to R335 000 in terms of Section 15 of the Act in respect of residential properties, provided that the Council may from time to time during its annual budget process contemplated in Section 12 (2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.

(1) Expanded Social Package (ESP)

- (i) The indigent rebate for Rates is applicable to homeowners and not individuals;
- (ii) Only one (1) property can be considered for the rebate;
- (iii) This category consists of residential properties owned and occupied by natural persons who reside within the municipal boundaries, are South African Citizens with valid identification document, have limited income and can prove that his or her annual income falls within the limit determined by Council and who are vulnerable such as pensioners,

persons with disabilities (PWDs), unemployed, child headed households & the youth;

(iv) The owner must apply every six (6) months for Council's approval for access to the Expanded Social Package (ESP) on an application prescribed by the Council, accompanied by such proof as the Council may reasonably require to substantiate any entitlement to a rebate contemplated in this category;

(v) The conditions are as follows:

- a) The owners must own and occupy the property concerned;
- b) The owners must achieve a score on the City of Johannesburg Poverty Index as specified below;
- c) The value of the property may not exceed R500 000.

(vi) The extent of the rebate will depend on the applicant's score on the City of Johannesburg Poverty Index:

- (a) Greater than zero but not exceeding 34 points: 70% of the current monthly rate;
- (b) Greater than 35 points: 100% of the current monthly rate;
- (c) The property owner must inform and request de-registration if his/her conditions have improved especially if the application no longer conforms with the requirements set out in the policy.

(2) Owners' dependent on pensions

(a) This category consists of residential properties owned and occupied by pensioners;

(b) The conditions for this rebate are as follows:

- (i) The owner must have reached the age of 60 years;

- (ii) The owner must own and occupy the property;
 - (iii) The joint household income may not exceed income threshold provided under 2(c)(iii) and (iv);
 - (iv) The value of the property may not exceed R2 500 000;
 - (v) This category also applies to property owners who have become pensioners due to injury;
 - (vi) An owner of a property in this category, must apply at the Property Branch for approval of a rebate on a form prescribed by the Council, accompanied by their most recent income tax assessment issued by the South African Revenue Service or other proof of joint household income stated under 2(c)(iii) and (iv) as approved by Council;
 - (vii) A rebate shall be granted for a maximum duration of the Valuation roll provided that:
 - (aa) it shall be necessary to reapply if the status of the beneficiary changes within the period; and
 - (bb) the beneficiary shall notify the Council in writing of any event that causes a change in his financial status that may affect the granting of the rebate.
 - (viii) No retrospective rebates will be granted.
 - (ix) Application shall be made prior to the expiry of the validity period of any existing rebate.
- (c) The rebate shall be as follows:

- (i) If a pensioner receives a National Security Grant, they will qualify for a 100% rebate.
- (ii) If a pensioner/s, age 70 and above, they qualify for a 100%, irrespective of income.
- (iii) If a pensioner/s have a gross joint monthly household income below and equal to R10 783, they qualify for a 100% rebate, provided the pensioner/s is at least 60 years of age.
- (iv) If a pensioner/s have a gross joint monthly household income above R10 783 less than or equal to R18 481 they qualify for a 50% rebate, provided the pensioner/s is at least 60 years of age.

(3) Owners dependent on pensions

- (a) This category consists of residential properties owned and occupied by person who has become a pensioner because of injury on duty;
- (b) The conditions for this rebate are as follows:
 - (i) The owner must have been injured on duty serving in the following services
 - a. South African National Defence Force
 - b. South African Police Service
 - c. Emergency services
 - d. Johannesburg Metropolitan Police
 - (ii) The owner must own and occupy the property;
 - (iii) The value of the property may not exceed R2 500 000;
 - (iv) An owner of a property in this category, must apply to the Property Branch approval of a rebate on a form prescribed by the Council, accompanied by the following documents:

- (aa) confirmation from the employer that the employee was injured on duty and due to the injuries he or she can no longer serve in any capacity;
 - (bb) medical records that confirms the injuries;
 - (cc) proof of current income.
 - (dd) Where the applicant is married the spouse proof of income is required.
- (v) A rebate shall be granted for a maximum duration of the Valuation roll provided that:
 - (aa) It shall be necessary to reapply if the status of the beneficiary changes within the period;
 - (bb) the beneficiary shall notify Property Branch in writing of any event that causes a change in his financial status that may affect the granting of the rebate;
- (vi) No retrospective rebates will be granted.
- (i) Application shall be made prior to the expiry of the validity period of any existing rebate.
- (c) The rebate shall be as follows:
 - If a pensioner receives a National Security Grant, he/she qualifies for 100% rebate.
 - If a pensioner, above, he/she qualifies for a 100%.
 - If a pensioner has a gross joint monthly household income below and equal to R10 783 he/she qualifies for a 100% rebate,

- If a pensioner has a gross joint monthly household income above R10 783 but less than or equal to R18 481, he/she qualifies for a 50% rebate.

(4) Heritage properties

- (a) This category comprises property:
- (i) declared as heritage sites in terms of Section 27 of the National Heritage Resources Act, 25 of 1999;
 - (ii) designated as protected areas in terms of Section 28 of the National Heritage Resources Act; and
 - (iii) designated as heritage areas in terms of Section 31 of the National Heritage Resources Act.
- (b) The conditions relating to this category are:
- (i) Application for a rebate must be made annually on a form prescribed by the Council;
 - (ii) The rebate contemplated in this category shall be subject to any limitations that may be placed on financial incentives for the conservation of heritage resources in terms of Section 43 of the National Heritage Resources Act;
- (c) The rebate shall be a maximum of 20% of the current monthly rates.

(5) Corridors of Freedom

- (a) The category consists of properties that are developed with a minimum density of 80 dwelling units per hectare, including sectional title units.
- (b) A rebate of 5% of the current monthly rates will be applied.

(6) Property owned by private sports clubs

A maximum of 40% of the current monthly rates: provided that such organisation must annually, before 1 September, apply to the Council for approval of a rebate on a form prescribed by the Council accompanied by a copy of their annual report and audited financial statements, provided such Clubs will have to demonstrate to the Council in writing whether:

- (i) The club is unable to pay the property rates; and
- (ii) The membership of the Club is open to previously disadvantaged persons; and
- (iii) The land owned by the club other than that used for restaurant and bar facilities for club members is utilised primarily for sporting activities: or
- (iv) The club is actively involved in sports development programmes for previously disadvantaged communities

(7) Protection of animals

- (a) This category comprises property registered in the name of any institution or organisation which has as its exclusive objective the protection of animals;
- (b) A maximum of 100% of the current monthly rates will apply;
- (c) Property owner must apply for this rebate/exemption.

(8) Disaster areas

- (a) The category consists of property situated within an area affected by a disaster within the meaning of the Disaster Management Act 57 of 2002;
- (b) The applicable requirements are as follows:

- (i) The owner of the property must apply to the Property Branch for a rebate on a prescribed form, accompanied by such proof as the Council may reasonably require substantiating the application; and
- (ii) The rebate shall be subject to such duration and limitations as the Council may determine in relation to a specific disaster or event.
- (c) The rebate shall be determined by Council up to a maximum of 100% of the current monthly rates depending on the disaster report approved by Council.

(9) Vacant land

- (a) This category comprises undevelopable land due to the following:
 - i. Property is outside the Urban Development Boundary
 - ii. Unavailability of bulk infrastructure
 - iii. Development of the entire property is prohibited by environmental constraints.
- (b) The applicable requirements are:
 - (i) The owner of the property must apply in writing to Department of Development Planning for a rebate;
 - (ii) A letter from the Department Development Planning confirming that the property is outside the Urban Development Boundary, must accompany the application;
 - (iii) A letter from the Municipal Entity/entities or its/their delegate, must accompany the application confirming that the property cannot be developed due to unavailability of infrastructure and services.

- (c) The rebate will be granted only where Council was supposed to provide services.
- (d) The rebate is a maximum of 50% of the current monthly rates reviewable annually.

(10) Housing Development Schemes for Retired Persons

- (a) This category consists of properties owned by juristic persons that fall under the Housing Development Schemes for Retired Persons Act, 65 of 1988, as amended.
 - (i) It is required that the owner of property shall pass on the benefit of the rates rebate to the registered holder/s of a right of occupation in the Scheme.
 - (ii) If the owner fails to pass the benefit of the rates rebate on to the registered holder/s, the Council may apply the full rating with retrospective effect to the date of commencement of the rebate.
 - (iii) The rebate shall be a maximum of 50% of the current monthly rates.
 - (iv) Sectionalised schemes for retired person shall qualify to apply as individual for pensioner rebate as stated in Section B (2).
 - (v) The rebate shall be granted as stated in Section B (2).

(11) Registered Social Landlords

- (a) The category comprises properties owned by individuals or entities designated as Registered Social Landlords under the Registered Social Landlord Policy of the City;
- (b) The requirements are as follows: The property must comply with the conditions contained in the Registered Social Landlord Policy;

- (c) The rebate is as follows:
 - (l) 40% of the current monthly rates;
 - (iii) If a Public Benefit Organisation, registered as a non-profit organisation in terms of Section 30 of the Income Tax Act, provides services on a property which meet the requirements of welfare and humanitarian services as defined in the Schedule of the Act and is designated as a registered social landlord, the rate applicable to a Public Benefit Organisation shall apply.

(12) Child Headed Households

- (a) This category comprises properties owned as specified below, which are occupied by a household headed by a minor;
- (b) The requirements are as follows:
 - (i) The property is worth not more than R2, 500 000.00;
 - (ii) The property must be owned by a terminally ill parent or the child or deceased estate of the parent;
 - (iii) The terminally ill parent or their children must annually apply for the rebate. The application must be accompanied by:
 - (aa) confirmation from the Social worker appointed by Council that has investigated the minors of the household and found that the permanent occupants are minors and the household is headed by a minor;
 - (bb) if the parent is deceased,
 - a copy of the Letter of Executorship of administration of the deceased estate;

- a copy of the liquidation and distribution account showing transfer of the property to the minor;
 - the death certificate of the parent;
- (cc) if the parent is terminally ill, a certified copy of a medical report confirming his/her status;
- (dd) birth certificates of all minors residing on the property.
- (i) The rebate will lapse:
- (aa) when the child head of the household reaches the age of majority;
- (bb) on alienation of the property;
- (cc) when the child head of the household ceases to reside permanently on the property;
- (dd) when the Department of Social Development no longer regards the household as being child headed; or
- (ee) when applications are not submitted annually (late applications may be reinstated with effect from the next practical billing cycle).
- (d) The applicable rate shall be a maximum of 100% of the current monthly rates.

(13) Corridors of Freedom

The rebate will apply as follows:

13.1 During Construction Rebate

- (i) The rebate will apply to new building developments that would take place within the identified **Corridors of Freedom** in line with the approved Strategic Area Frameworks, including Soweto TOD nodes (Jabulani, Orlando, Nancefield station, Kliptown).

The property owner will pay 25% of the rate as per the category of land for a period not exceeding two years during the construction phase

13.2 Post Construction Rebate

The property owner will pay half the rate on the first year of operation as per the category of land.

- (i) The property owner will pay full rates as per the category of property from the second year of operation onwards.

13.3 Requirements for the rebates

- (i) The detailed qualifying criteria will be provided by the Department Development Planning in line with the policy for **Corridors of Freedom** as approved by Council;
- (ii) The development must be in line with the development requirements set out by the City;
- (iii) The proposed development must follow all planning by-laws;
- (iv) The developer must apply to the Department of Development Planning for the approval of the project;
- (v) Once the project is approved by Department of Development Planning, Property Branch will process the rebate in the SAP system.

Cumulative rebates shall not exceed 100%.

The Council may, notwithstanding any rebate granted, resolve that all rateable property, including properties in respect of which 100% rebates are granted, shall be subject to the payment of such minimum property rate as the Council may determine.

SECTION C

SPECIAL RATING AREAS

- (1) On receipt of an appropriate application the Council may by resolution determine an area within the municipality as a special rating area in terms of Section 22 of the Act, subject to such conditions as it may deem necessary, and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.
- (2) The determination of a special rating area must be consistent with the objectives of the integrated development plan of the Council.

ALTERNATE FINANCING

- (1) City of Johannesburg supports basic instruments for Local Government to execute property value capture through tax incremental financing.
- (2) Tax Incremental Financing (TIF) schemes will enable the City of Johannesburg to anticipate increased tax revenue that would be generated within a specific geographic area as a result of the construction of large-scale infrastructure investment.
- (3) All detailed plans to implement Tax incremental Financing must be approved by Council.

SECTION D

LIABILITY FOR RATES

- (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) On the basis that rates constitute taxation, there is no specific counter-performance due by the Council in exchange for the receipt of the rates.
- (3) Rates -
 - (a) which are recovered by the Council on an annual or a monthly basis, are payable on or before the due date stipulated in the account sent to the ratepayer;
 - (b) are payable in full on or before the due date and interest will be charged on rates that are in arrears;
 - (c) Interest be charged on rates not paid on or before the fixed days, at the rate determined by the Council from time to time;
 - (d) A ratepayer remains liable for the payment of the rates whether or not an account has been received and if an account has not been received, the onus shall be on the ratepayer concerned to establish the amount due for the rates and to pay that amount to the Council;
 - (e) Liability for, and payment of, rates is governed by the Act and the City's Credit Control and Debt Collection By-Laws and Policy;
 - (f) Section 27(1A) provides that property owner who is liable for rate must furnish the City with an address where correspondence can be directed to.

- (4) In the case of joint ownership of property, all the property owners are jointly and severally liable for the payment of rates and any interest charges thereon.
- (5) In respect of property that has been let by a ratepayer, the Council may recover unpaid rates from the tenant to the extent of any unpaid rental due to the ratepayer.
- (6) The Council may recover unpaid rates from the agent of the ratepayer but only to the extent of the rental in respect of the property concerned received by the agent, less any commission due to the agent by the ratepayer.
- (7) A ratepayer that wishes to dispose of a property must comply with the provisions of Section 118 of the Systems Act, which requires an advance payment of an amount to cover, inter alia, the rates due before a certificate as contemplated in the said Section is issued, such payment to be calculated to cover a lead time as specified in the Systems Act.
- (8) A rate levied by the Council on a sectional title unit is payable by the owner of the unit.

DEALING WITH APPLICATIONS

The Council must consider every application in terms of this Policy within a reasonable time and may approve the application, subject to such conditions as the Council may deem appropriate under the circumstances or refuse it.

SECTION E

TARIFF RATIOS FOR DIFFERENTIAL RATING

No	Category	Ratio 2021/2022	Tariffs for 2021/2022	% increase
1	Agricultural business	1:2.5	0.020550	2%
2	Agricultural other	1:1	0.008220	2%
3	Agricultural residential	1:1	0.008220	2%
4	Business and commercial	1:2.5	0.020550	2%
5	Education	1:0.25	0.002055	2%
6	Farming	1:0.25	0.002055	2%
7	Mining land	1:2.5	0.020550	2%
8	Multipurpose*			2%
9	Municipal property	0	0	0%
10	Private open space	1:0.25	0.002055	2%
11	Public open space	1:0.25	0.002055	2%
12	PSI	1:0.25	0	0%
13	PSI privately owned	1:0.25	0.002055	2%
14	Religious	0	0	0%
15	R E of a township	1:2.5	0.020550	2%
16	Residential	1:1	0.008220	2%
17	Residential Consent use	1:2	0.016440	2%
18	Sectional Title Business	1:2.5	0.020550	2%
19	Sectional Title other	1:1	0.008220	2%
20	Sectional Title residential	1:1	0.008220	2%
21	State	1:1.5	0.012330	2%
22	Vacant Land	1:4	0.032881	2%
	Category of ownership			2%
1	Public benefit organisation	1:0.25	0	0%
	Penalty Tariff			2%
1	Unauthorised use	1:6	0.049321	2%

Multipurpose properties will be rated according the multiple purposes as defined in the Act. *This can be defined as properties that have multiple categories, however all the categories will be billed on the same stand and account.

Section F

Transitional (implementation of Section 8 of the Act)

City of Johannesburg will implement the categories of properties as provided for in Section 8 of the Act in the financial year 2022/2023. All property categories as provided for in Section 8(2) will be defined in the Rates Policy. The City of Johannesburg will determine additional categories of properties in line with the provisions of subsection 8(3) of the Act. Sub-categories will also be implemented in 2022/2023 financial year in line with the provision of subsection 8(4)(a)(b) of the Act.

From the 1st July 2022 all the categories and subcategories will be as provided below.

No	Current Category	Future Category	Future Ratios
1	Agricultural business	Business	1:2.5
2	Agricultural other	Agricultural other	1:1
3	Agricultural residential	Residential	1:1
4	Business and commercial	Business and commercial	1:2.5
5	Education	Education	1:0.25
6	Farming	Farming	1:0.25
7	New category (Industrial)	Industrial	To be determined by Council
8	Mining land	Mining land	1:2.5
9	Multipurpose business	Multipurpose	Ratio will be determined per split value
10	Multipurpose residential	Multipurpose	Ratio will be determined per split value
11	Municipal property	Municipal	0
12	Private open space	Private open space	1:0.25
13	Public open space	Public open space	0
14	PSI	PSI	1:0.25
15	PSI privately owned	PSI privately owned	1:0.25
16	Public benefit organisation	Public benefit organisation	
17	Religious	Religious	0
18	R E of a township	R E of a township	1:2.5
19	Residential	Residential	1:1
20	Residential Consent use	Residential Consent use	1:2
21	Sectional Title Business	Business and commercial	1:2.5
22	Sectional Title other	Sectional Title other	1:1
23	Sectional Title residential	Residential	1:1
24	State	Public service purpose	1:1.5
25	Vacant Land	Vacant Land	1:4
	Penalty tariff		
	Unauthorised use	Unauthorised use	1:6

ADDENDUM

1. IMPERMISSIBLE RATE

The City will not levy a rate on the first part of the value up to R350 000 of the market value as per the Valuation Roll:

On the first R15 000 on the basis set out in Section 17(1) (h) of the Act; and

On the balance of the market value up to R335 000 in terms of Section 15 of the Act in respect of residential properties, provided that the Council may from time to time during its annual budget process contemplated in Section 12 (2) of the Act determine, as threshold, the amount to be deducted from the market value of residential properties, as a result of which rates will only be determined on the balance of the market value of such properties after deduction of the threshold amount.

Penalty tariff

Unauthorised use

- (1) This penalty tariff is charged on all properties that are used for a purpose (Land use) not permitted by the zoning thereof in terms of any applicable Town Planning Scheme or Land Use Scheme; abandoned properties and properties used in contravention of any of the Council's By-laws and regulations, which include the National Building Regulations and Building Standards Act, 103 of 1977, and any Regulations made in terms thereof. This penalty tariff also covers illegal advertising as regulated by the City of Johannesburg advertising bylaw.

City of Johannesburg

Property Branch

66 Jorissen Street

Jorissen Place

Braamfontein

P.O.Box 1049

Johannesburg

South Africa

2000

Tel:0860 56 2874

Email: RatesComments@joburg.org.za

Website: www.joburg.org.za