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Property Rates By-laws

Commences on 1 July 2008 unless otherwise noted

[Amended by City of Johannesburg Property Rates By-law on 9 December 2009]

The City Manager of the City of Johannesburg Metropolitan Municipality, in terms of section 156(2) of the Constitution, 1996, read with section 11(3)(m) of the Local Government: Municipal Systems Act, 2000 ([Act No. 32 of 2000](#)), and section 6 of the Local Government: Municipal Property Rates Act, 2004 ([Act No. 6 of 2004](#)), hereby publishes the Property Rates By-laws for the City of Johannesburg Metropolitan Municipality as approved by its Council as set out hereunder.

1. Interpretation

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

"the Act" means the Local Government: Municipal Property Rates [Act 6 of 2004](#);

"category"

- (a) in relation to property, means a category of property contemplated in section 7 of these By-laws; and
- (b) in relation to owners of property, means a category of owners of property contemplated in section 8 of these By-laws;

"exemption" in relation to the payment of a rate, means an exemption granted in terms of section 9 of these By-laws;

"rate" means a municipal rate on property envisaged in section 229(1)(a) of the Constitution, 1996;

"rebate" in relation to a rate payable on property, means a discount in the amount of the rate payable on the property granted in terms of section 9 of these By-laws;

"reduction" in relation to a rate payable on property, means a reduction in the amount of the rate payable on the property granted in terms of section 9 of these By-laws;

"the/its Policy" means the Property Rates Policy adopted by the Council in terms of Section 3(1) of the Act.

- (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.

2. Adoption of by-laws

- (1) These By-laws are adopted in terms of section 6 of the Act to give effect to the implementation of the Policy.
- (2) The Council must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend its Policy. Proposals for reviewing its Policy must be considered by the Council in conjunction with its annual operating budget.
- (3) The Policy is hereby incorporated by reference in the By-laws. All amendments to the Policy as the Council may approve from time to time shall be deemed to be likewise incorporated.
- (4) These By-laws ascribe to the objectives set out in paragraph 4 of the Policy.

3. Rating of property

In terms of Section 2(3) of the Act, the Council may levy rates on property subject to:

- (1) Section 229 and any other applicable provisions of the Constitution of the Republic of South Africa, 1996;
- (2) The provisions of the Act;
- (3) The Policy; and
- (4) These By-laws.

4. General principles

- (1) These By-laws must be read in conjunction with the provisions of:
 - (a) any applicable Town Planning Scheme;
 - (b) the Town Planning and Townships Ordinance 25 of 1965;
 - (c) the Town Planning and Townships Ordinance 15 of 1986;
 - (d) any other legislation pertaining to the use of property; and
 - (e) any applicable policy of the Council.
- (2) The Policy must ensure equitable treatment by the Council in the levying of rates on property owners, including owners under sectional title as contemplated in the Sectional Titles Act, as well as other persons who may become liable for the payment of rates.

- (3) 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.
- (4) Different rates may be levied for different categories of property.
- (5) The Council 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;
- (6) Relief measures in respect of payment for rates will not be granted to any category of property or owners on an individual basis, other than by way of exemption, rebate or reduction.
- (7) Where the rates levied on a property are based on a supplementary valuation made in terms of section 78(1) of the Act, such rate will be payable from the date contemplated in section 78(4) of the Act.
- (8) The Council shall specify a threshold at which rating in respect of residential properties may commence as provided for in section 15(1)(a) of the Act, which it is hereby authorised to do.

5. Annual operating budget

- (1) The Council must consider the levying of rates annually during the budget process referred to in section 12(2) of the Act. Rates will be based on the market value of all rateable property and the amount required by the Council to balance its annual operating budget.
- (2) Rate increases must be used to finance the increase in operating costs of municipal services and facilities.
- (3) The Policy must set out the criteria to be applied when determining the level of increases in rates.

6. Differential rating

The Council may in terms of the criteria set out in the Policy, levy different rates for different categories of rateable property, which may include categories determined according to the:

- (a) use of the property;
- (b) permitted use of the property; or
- (c) geographical area in which the property is situated.

7. Categories of property for purposes of differential rates

The Policy must, for purposes of levying differential rates, provide for different categories of property, which may include, but are not limited to, the following:

- (a) Business, Commercial and Industrial;
- (b) Residential Property;
- (c) Residential Property with Additional Rights & Consent Use
- (d) Municipal Property: Not Rateable;
- (e) Municipal Property: Rateable;
- (f) Property Owned by the State or an Organ of State;
- (g) Farming Land/Property used for Bona Fide Farming;
- (h) Public Service Infrastructure;
- (i) Property used for Multiple Purposes;
- (j) Agricultural Holdings;
- (k) Vacant Land irrespective of Zoning;
- (l) Mining Property;
- (m) Education;
- (n) Religious; and
- (o) Special.

8. Categories of ownership for purposes of exemptions, reductions and rebates

The Policy must, for purposes of exemptions, reductions and rebates, provide for different categories of ownership, which may include, but are not limited to, the following:

- (a) residential properties owned and occupied by natural persons who have limited income and who are not pensioners but can show that his or her annual income falls below the limit determined by Council from time to time;
- (b) residential properties owned and occupied by natural persons who are dependent on social assistance in terms of the Social Assistance [Act 59 of 1992](#) as their sole source of income;
- (c) residential properties owned and occupied by pensioners who are not persons contemplated in subparagraph (b), provided that the total income of the household does not exceed the limits determined by Council from time to time;
- (d) property owned by organisations which in the opinion of and to the satisfaction of the

- Council, care for the aged and use the property for such purpose;
- (e) property owned by institutions which provide education and / or student accommodation at -
 - (i) public schools;
 - (ii) independent schools;
 - (iii) universities; and
 - (iv) technical and other colleges;
 - (f) property owned by public benefit 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;
 - (g) property owned by private sports clubs which use such property primarily for sports purposes;
 - (h) property in the inner city [[subsection 8(h) amended on 2009-12-09 with effective date 2008-07-01]];
 - (i) 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 25 of 1999](#); and
 - (iii) designated as heritage areas in terms of section 31 of the National Heritage Resources [Act 25 of 1999](#);
 - (j) property used for bona fide agricultural/farming purposes;
 - (k) residential sectional title properties;
 - (l) property registered in the name of an institution or organisation which has as its exclusive objective the protection of animals;
 - (m) property registered in the name of an institution or organisation which has as its exclusive objective the provision and, or promotion of youth development programmes;
 - (n) property, including sectional title units that form part of a development, that are developed at an appropriate density as determined by the Council from time to time during its budget process contemplated in section 12(2) of the Act;
 - (o) residential properties owned and occupied by natural persons temporarily without increase as contemplated in section 15(2)(c) of the Act;

- (p) property situated within an area affected by:
 - (i) a disaster within the meaning of the Disaster Management [Act 57 of 2002](#); and
 - (ii) any other serious adverse social or economic conditions as determined by the Council from time to time; and
- (q) vacant land.

9. Rebates, exemptions and reductions

- (l) The Policy must stipulate the extent of any rebates, exemptions or reductions in rates the Council may grant, as well as the conditions that would apply in relation thereto: Provided that the granting of such rebates, exemptions or reductions shall not allow a total rebate in excess of 100%.
- (2) The Policy may allow the Council, notwithstanding the extent of any rebate granted, to 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 from time to time during its annual budget process contemplated in section 12(2) of the Act.

10. Phasing in of rates on newly rateable property

The rates on newly rateable property, as defined in the Act, will be phased in as determined in section 21 of the Act.

11. Certificate of occupancy

Prior to a residential property being eligible for a residential rate or a rebate, a Certificate of Occupancy must have been issued in respect thereof by the relevant Council Department concerned.

12. Liability for and recovery of rates

- (1) Rates-
 - (a) which are recovered by the Council on 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.
- (2) The Policy must make provision for the recovery of rates, under appropriate circumstances, from:
 - (a) Ratepayers who did not receive accounts;

- (b) Joint property owners;
- (c) Tenants of property; and
- (d) Ratepayers that intend to dispose of property.

13. Publication of resolutions levying rates

The Rates Policy must set out the procedure to be followed in the consideration of any objections or comments received pursuant to the publication of any resolutions of the Council regarding the levying of rates.

14. Dealing with applications

The Council must consider every application in terms of the 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.

15. Enforcement of by-laws and policy

These By-laws and the Policy shall, to the extent necessary, be enforced through the Credit Control and Debt Collection Policy and By-laws of the City and/or any other applicable mechanism.

16. Short title and commencement

These By-laws are called the Property Rates By-laws and shall come into effect on 1 July 2008.