

GEORGE MUNICIPALITY

PROPERTY RATES POLICY 2026/27

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A. INTRODUCTION

1. A municipality is empowered, in terms of Section 229 of the Constitution of the Republic of South Africa, to impose rates on property. The power of a municipality to do so is regulated by national legislation, the Local Government: Municipal Property Rates Act, 6 of 2004 and the Amendment Act, 29 of 2014 (*the Act*).
2. In terms of the Act, a municipality has the power to levy a rate on property in its area. The Council of a municipality must adopt a Rates Policy consistent with the Act on the levying of rates on rateable property in the municipality.

B. INTERPRETATION

1. Words not defined in this policy which are defined in the Act bear the meaning assigned to them in the Act.
2. In this policy, the following words bear the meanings assigned to them below:

Rateable:

RES	Residential property
BUS	Business and Commercial property
IND	Industrial property
MIN	Mining property
AGR	Agricultural property
PSI	Public Service Infrastructure property
PBO	Public Benefit Organisation property
PSP	Public Service Purpose property
Vacant	RESV - Residential vacant property
	BUSV - Business vacant property
	INDV – Industrial vacant property
	PSPV– Public Service Vacant Property

Other and Impermissible Rates:

PSII	Public Service Infrastructure (Impermissible) property
NMON	National monuments property
POW	Place of worship property
MUN	Municipal property - residential
MUNV	Municipal property - vacant
PROT	Protected area property
LREF	Land Reform beneficiary property

- 2.1 **“Accommodation establishment”** means a property which, or part of which, is used for the business of a bed and breakfast establishment, guest house, holiday accommodation, holiday housing, hotel or motel. (Refer to item B2.5, D2.1.1 and D2.3)
- 2.2 **“Agricultural purpose property”**, means property that is used primarily for commercial farming or subsistence farming including the cultivation of land for crops and other plants, including plantations, the keeping or breeding of animals, including beekeeping, and includes such activities as are reasonably connected with the main farming activities, including the housing of the farmer, farm manager and farm workers, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.
- 2.3 **“Bona-fide farmer”** means genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the George municipal area and is taxed by SARS as a bona-fide farmer.
- 2.4 **“Business purpose”**, in relation to the use of a property, means doing business and includes shops, offices, block of flats (Refer to item D2.3), financial institutions and restaurants and includes such activities as are reasonably connected with the main business activities, however, agricultural purposes, industrial purposes are seen as separate categories.
- 2.5 **“Guest House / Bed and Breakfast”** means a residential property where the property is used or available to be used for providing accommodation for temporary visitors at a fee. (Includes Air B&B’s) (Refer to item B2.1, D2.1.1 and D2.3)
- “In terms of Section 45(2)(a) of the Act which states that physical inspections of properties are optional and due to timeframes, safety reasons and permissions required; property owners must take note that the following information will be used to identify the number of rooms used or available to be used for providing accommodation for temporary visitors at a fee in Guest House / Bed and Breakfast establishments, i.e. billboards, registration information with the local Tourism Board/office, print adverts, commercials, posters, listings and/or advertisements on any media or social media platform.”
- 2.6 **“Gross monthly household income”** means the gross monthly income from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, donations and any other form of financial support or investment income, received by every person residing on the property.
- 2.7 **“House Shop”** means the conducting of a retail trade from a dwelling house, second dwelling, shelter or outbuilding by one or more occupants

who must reside on the property, provided that the dominant use of the property must remain for the living accommodation of the occupants.

- 2.8 **“Industrial purpose”**, in relation to the use of a property, means operating a factory or other plant in which any article or part of an article is made, manufactured, built, produced, assembled, compiled, printed, ornamented, processed, treated, adapted, repaired, renovated, rebuilt, altered, painted, polished, finished, dyed, washed, broken up, disassembled, sorted, packed, chilled, frozen or stored in cold storage, and includes such activities as are reasonably connected with the main industrial activities, but excludes agricultural purposes and business or commercial purposes.
- 2.9 **“Office bearer”**- in relation to places of public worship, means the primary person who officiates at services at that place of worship.
- 2.10 **“Official residence”**, in relation to places of public worship, means:
- (a) a portion of the property used for residential purposes; or
 - (b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.
- 2.11 **“Open Space”**, means property, but specifically land that is used as a park, garden, for passive leisure or maintained in its natural state and which is zoned as open space. These properties may either be publicly owned being commonly open to public access; or privately owned.
- 2.12 **“Owner”**, in relation to a property means:
- (a) a person in whose name ownership of the property is registered; or
 - (b) a person in whose name the right is registered;
 - (i) in relation to a time-sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
 - (ii) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);

- (iii) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”.

Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases: -

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) 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;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (vii) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right;
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer.

2.13 **“Pensioner”** means a senior citizen above the age of 60 years, irrespective of your working status, who receives a pension.

2.14 **“Place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium:

Provided that the property is—

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right.

2.15 **“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;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (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.
- (e) sectional title schemes

2.16 **“Public service infrastructure”** means publicly controlled infrastructure as described in the Act and also includes:

runways, [or] aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes. This is split into PSI and PSII.

“Publicly controlled” means owned by or otherwise under the control of an organ of state, including –

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act 1 of 1999)
- (b) a municipality; or
- (c) a municipal entity defined in the Municipal Systems Act;

2.17 **“Public service purposes”** – in relation to the use of a property, means property owned and used by an organ of state as-

- (a) hospitals or clinics
- (b) schools, pre-schools, early childhood development centres of further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,
but excludes property contemplated in the definition of ‘public service infrastructure’.

2.18 **“Public place”**, means any open or enclosed place, park, street, road or thoroughfare or other similar area of land shown on a general plan or diagram that is used by the general public and is owned by, all vests in the ownership of, a Municipality and includes public open space and a servitude for any similar purpose in favour of the general public.

2.19 **“Rate Ratio Regulations”**, in relation to Section 19 of the Act, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties; promulgated in terms of the Act published under government notice R195, Government Gazette 33016, on 12 March 2010, with specific reference to agricultural, public service infrastructure and public benefit organisation properties. (pg. 149 of Act)

Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category.

2.20 **“Residential property”** means a property included in a valuation roll in terms of Section 48(2)(b) of the Act [as residential] in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Act.

2.21 **“Rebate”** in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

2.22 **“Reduction”** in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which property was valued and the rating of the property at that lower amount.

2.23 **“Vacant property”** means:

- (a) property on which no immovable improvements have been erected; or
- (b) in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied.
- (c) In cases of properties zoned Vacant (Agricultural Zone II AZII) proof of Bona Fide farming is required, otherwise the property will be deemed as residential vacant property. Normally, Agricultural zoned properties will not be considered as being residential vacant, however this consideration lapses if either of the terms “agricultural purpose property” or “bona fide farmer” as defined in this Policy is not relevant or cannot be applied to said vacant property.

3. To the extent that there is any inconsistency between the Act and this policy, the provisions of the Act prevail.

C. PRINCIPLES AND GENERAL CRITERIA

1. This Property Rates Policy and property rates imposed by the Municipal Council are and shall be based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability, and cost efficiency.

2. When levying property rates for each financial year, the Municipal Council shall consider the aggregate burden of property rates and municipal service charges on the ratepayers.
3. Property rates shall be levied as a cent-in the rand based on the property value contained in the Municipality's general valuation roll and supplementary valuation rolls.
4. The municipality may levy different rates for different categories of property, exempt from property rates specific categories of owners or properties or the owners of specific categories of property or grant rebates on property rates to specific categories of owners or properties or the owners of specific categories of property. When doing so, the municipality shall apply the guiding principles set out above and the specific criteria set out in relation to each category below.
5. Further determinants that will guide the processes of the policy:
 - The zoning Scheme of the Municipality determines, via the provisions therein, the zoning and thus the legally binding use of a given property.
 - However, the rating of said property is governed by the MPRA which determines a collection of rules that by implication sets the conditions by which the use of a property is categorised. It is therefore possible that even though an owner is using a property within the set rules of the Zoning Scheme, said property would not be rated on the same basis due to the definitions and provisions as applied according to the MPRA and this Policy.
 - Moreover, such categorisation instituted according to the MPRA, or this Policy does not condone any unlawful use of a property regardless the circumstances.
6. **“Special rated areas”**
 - (1) A municipality may by resolution of its council:-
 - a. Determine an area within that municipality as a special rating area;
 - b. Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
 - c. Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).
 - (2) Before determining a special rating area, a municipality must-
 - a. Consult the local community, including on the following matters;
 - i. The proposed boundaries of the area; and
 - ii. The proposed improvement or upgrading of the area; and
 - b. Obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

- (3) When a municipality determines a special rating area, the municipality-
 - a. Must determine the boundaries of the area;
 - b. Must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
 - c. Must establish separate accounting and other record keeping systems regarding
 - i. The revenue generated by the additional rate; and
 - ii. The improvement and upgrading of the area; and
 - d. May establish a committee composed of persons representing the community in the area to act as a consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committee in the area, if the municipality has a ward committee or committees in the area.
- (4) This section may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's integrated development plan.
- (5) This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal service district established in terms of that section of the Municipal Systems Act.

7. Imposition of Rates:

7.1 The Municipality shall as part of the annual budgeting cycle, set for each category a rate, (being a cent amount in the Rand) that will be imposed, in accordance with the MPRA, on the market value of a property, for all rateable properties as recorded in the Municipality's valuation roll, drawn up in terms of the MPRA. The amount so determined together with any relief measures as described in this Policy shall be the Rates due and payable by the owner of said property.

The levying of rates forms part of the Municipality's annual budget process as set out in Chapter 4 of the MFMA.

Details of the resolution pertaining to the rate for each of the various property categories are to be published in the *Provincial Gazette* as set out in Section 14 of the MPRA.

7.2 The rates charged as a cent amount in the Rand for the residential property as per paragraph 6.1 (a) of this Policy is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate if so, prescribed by Regulations promulgated in accordance with the MPRA.

7.3 The Municipality will be guided by the definition of “ratio” in the MPRA and directed by Regulations pertaining to rate ratios as promulgated in terms of Section 19 of the MPRA and as applicable to the prescribed non-residential properties.

7.4 For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties, the Municipal Valuer will apportion a value to each distinct use and apply the appropriate category for billing at the applicable rate.

7.5 For the purposes of determining a property’s category, the Municipality will determine such as per Section 8 of the MPRA. It should be noted that the Municipality considers permitted use to be appropriate on vacant properties and that all other properties would be categorised according to the actual use of said property.

D. CATEGORIES OF PROPERTIES AND OWNERS

1. Subject to Section 8 of the Act, a municipality may, in terms of the criteria set out in its Rates Policy, levy different rates for different categories of rateable property, which must be determined according to the –

- (a) use of the property;
- (b) permitted use of the property; or
- (c) a combination of (a) and (b).

2. A municipality must determine the following categories of rateable property, provided such property category exists within the municipal jurisdiction:

2.1 Residential properties:

These are properties included in a valuation roll in terms of Section 48(2)(b) of the Act [as residential] in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Act.

2.1.1 Residential properties that are used as Accommodation Establishments with one (1) to four (4) rental units will be levied on the residential tariff. Properties leased on a long-term basis with one (1) to four (4) rental units will be levied on the residential tariff.

2.1.2 Residential businesses will be levied on the residential tariff in the following cases:

2.1.2.1 Home occupation of not more than 60m² which means the practising of an occupation (architect, attorney, etc) or the conducting of an enterprise by one or more occupants who reside on the property (maximum of three [3] employees)

provided that the dominant use of the property (more than 50% of the building) must remain for the living accommodation of the occupants.

2.1.2.2 A place of instruction where no more than six (6) learners may be accommodated at any given time.

2.1.2.3 Letting to lodger which means a maximum of two (2) bedrooms and two (2) lodgers.

2.1.3 The following house shops will be levied on the residential tariff:

2.1.3.1 Tuck Shops which does not exceed 40 m² in extent and is operated from a room in or on the front stoep of the dwelling house, second dwelling or shelter (informal structure) of the residential property.

2.1.3.2 Traditional House Shop which does not exceed 40 m² (single garage) in extent or half the size of the house, whichever size is lesser operated from the residential property.

2.2 Industrial properties:

These are properties which are used for industrial purposes and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as business properties.

2.3 Business and Commercial properties:

These are properties which are used for business or commercial purposes and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as business properties.

2.3.1 Large House Shops and Neighbourhood Shops which exceeds 40m² in extent will be levied on the business tariff.

2.3.2 Properties that are used as Accommodation establishments with five (5) or more rental units will be levied on the business tariff. Properties leased on a long-term basis with five (5) or more rental units will be levied on the business tariff.

2.3.3 Block of flats will be levied on the business tariff (with the services of these flats/unit being based on the nature of use).

2.4 Agricultural properties:

These are properties that are used primarily for commercial farming or subsistence farming including the cultivation of land for crops and other

plants, including plantations, the keeping or breeding of animals, including beekeeping, and includes such activities as are reasonably connected with the main farming activities, including the housing of the farmer, farm manager and farm workers, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.

2.5 Mining properties:

These are properties which are used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

2.6 Properties owned by an organ of state and used for public service purposes:

These are properties owned and used by an organ of state as-

- hospitals or clinics
- schools, pre-schools, early childhood development centres of further education and training colleges;
- national and provincial libraries and archives;
- police stations;
- correctional facilities; or
- courts of law.
- Other properties owned by an organ of state will be treated as per the nature of use.

2.7 Public Service Infrastructure properties:

These are properties which are used for purposes of public service infrastructure as described in the Act. (Also see Par E 5)

2.8 Properties owned by public benefit organisations and used for specified public benefit activities:

These are properties which are owned by public benefit organisations approved by the Commissioner in terms of Section 30(3) of the Income Tax Act, 1962 (Act No. 58 of 1962) and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care) or item 4 (education and development) of part 1 of the Ninth Schedule to that Act. To qualify for the prescribed rebate the owner must be registered as a nonprofit organization with the Department of Social Development and must provide the signed Certificate of Registration, which will include the registration number.

2.9 Properties used for multiple purposes:

These are properties which are used for more than one purpose and consequently included in the valuation roll in terms of Section 48(2)(b) of the Act as multiple purpose properties subject to Section 9 of the Act.

2.10 **Land Reform Beneficiary properties**

The Municipality will determine a Land Reform Beneficiary that corresponds to the use of such property. The said determination will be applied for billing at the appropriate and applicable rate.

The Municipality will however exclude such properties from rates for a period of 10 years subject to Section 17(1)(g) of the MPRA.

2.11 **Other and Impermissible Rates:**

These are properties are described in more detail in Section 17 of the Act. Examples of these properties are places of public worship, official residence in relation to places of public worship, nature reserves, seashores, etc. See list of category codes in Paragraph B.2 (other and impermissible rates) and tariff list.

2.12 **Municipal properties:**

These are properties other than those in paragraphs D 2.6 to D 2.7 above which are owned by an organ of state in the local sphere of government, including any municipal entity as defined in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Include municipal creches / educare and properties, with a market value equal to or less than R30 000.00 where ownership vest with the municipality i.e. public roads, pavements, small corner pieces of land.

Municipal properties with unimproved structures (shacks) will be categorised as municipal vacant properties (MUNV).

Examples of these properties include municipal parks, municipal graveyards and municipal roads.

2.13 **Vacant Properties:**

These are properties:

2.13.1 Where no immovable improvements have been erected; or

2.13.2 in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied.

2.13.3 George Municipality determines the actual use of a property to categorize such property in the valuation roll. Where the

property is vacant (undeveloped) then the category will be determined as per its actual or permitted use (zoning).

The application of permitted use (zoning) by George Municipality is mainly used to categorize vacant properties. This will then mean the property would be categorized as:

- Residential vacant properties,
- Business vacant properties,
- Industrial vacant properties,
- Government vacant properties.
- Agricultural properties.

See list of category codes in Paragraph B.2(rateable)

- 2.14 Any other rateable category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.

E. CRITERIA TO BE APPLIED BY THE MUNICIPALITY IN RELATION TO CATEGORIES OF PROPERTIES AND OWNERS

1. All residential properties, used for residential purposes

1.1 The property rate on these properties:

1.1.1 shall be the rate that council decided on during the budget process; and

1.1.2 shall apply to the market value of these properties reflected in the valuation roll less the first R230 000 of that value.

1.2 The Municipal Council shall grant different rebates/exemptions in respect of these residential properties as determined during the budget process.

2. All vacant, including rural vacant properties

2.1 The property rate on these properties:

2.1.1 shall be the rate that council decided on during the budget process; and

2.1.2 shall apply to the market value of these properties reflected in the valuation roll.

2.2 The Municipal Council shall grant different rebates/exemptions in respect of these rural vacant properties as determined during the budget process.

3. Industrial, Mining, Commercial and Business properties, accommodation establishments, and agricultural properties used for business purposes.

3.1 The property rate on these properties:

3.1.1 shall be the rate that council decided on during the budget process; and

3.1.2 shall apply to the market value of these properties reflected in the valuation roll.

3.2 The Municipal Council may grant rebates in respect of these properties in accordance with paragraphs (F) and (G) – refer to pages 20 & 21 below.

4. Agricultural properties used for agricultural purposes:

4.1 The property rate on these properties:

4.1.1 shall be 1:0,25 of the property rate on residential properties; and

4.1.2 shall apply to the market value of these properties reflected in the valuation roll.

4.2 The Municipal Council shall not grant any further exemptions or rebates in respect of these properties because the property rate referred to in paragraph 4.1.1 above, which is the maximum rate permitted by the Rates Ratio Regulations, sufficiently accommodates the factors listed in Section 3(e) of the Act.

To qualify for the agricultural property rate:

1) The owners must prove that they are taxed by SARS as a farmer in respect of the property.

The following documentation to be provided:

i) Copy of SARS ITA34, (income assessment - this document includes the ITA48, the farming schedule) and/or

ii) Copy of lease agreement if this is the case together with copies of the above documentation from the lessee.

2) Proof to the municipality's satisfaction that the owner complies with the criteria in question.

3) Owners of rural vacant properties, zoned as agriculture, will also qualify for the agriculture property rate.

4) Subsistence farmers (as per interpretation included in sections B2.2 and D 2.4 above) will also qualify for the agriculture property rate subject to the property being zoned as agriculture and the

corresponding valuation classification and category by the municipal valuer.

- 5) Unless the usage of a property has changed, owners of qualifying agricultural properties must apply for the agricultural property rate where a change of ownership has taken place.
- 6) If the dominant use of agricultural property is commercial or industrial purposes (accommodation establishments, truck depots, construction yards or factories, etc.) these properties will be rated as business properties as per section E. (3) above. Agricultural properties used in contravention of the zoning scheme will be reported to the Planning Directorate and will not qualify for the agriculture property rate or any rebate.
- 7) If the non-dominant use of agricultural properties is commercial or industrial purposes and where the municipal valuer considers it reasonable to apply the category for multi-use properties, the apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the applicable rate.

5. Public service infrastructure properties (PSI properties)

5.1 The property rate on these properties:

- 5.1.1 shall apply to the market value of these properties reflected in the valuation rolls less 30% of that value.
- 5.1.2 shall be 1:0,25 of the property rate on residential properties;

5.2 The definition of PSI in the Act lists kinds of publicly controlled infrastructure into subsections (a) to (h).

5.3 Section 13 of the Amendment Act amends Section 17(1) of the Act through the insertion of a new subsection A (**PSII**) which prohibits the rating of any property referred to in paragraphs **(a),(b),(e),(g) and (h)** of the definition of “public service infrastructure”

These are the following components of Public Service Infrastructure Impermissible (**PSII**):

- 5.3.1 National, provincial or other public roads on which goods, services or labour move across a municipal boundary; *paragraph (a)*
- 5.3.2 Water or sewerage pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; *paragraph (b)*
- 5.3.3 Railway lines forming part of a national railway system; *paragraph (e)*

5.3.4 Runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;" (as amended by Section 1(k) of the Amendment Act); *paragraph (g)*

5.3.5 Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; *paragraph (h)*.

6. Properties owned by an organ of state and used for public service purposes:

6.1 The property rate on these properties:

6.1.1 shall be the rate that council decided on during the budget process; and

6.1.2 shall apply to the market value of these properties reflected in the valuation roll.

6.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the property rate referred to in paragraph E. (6.1.1) above sufficiently accommodates their status as publicly controlled properties which are not publicly controlled infrastructure.

7. Properties owned by public benefit organisations and used for specified public benefit activities:

7.1 The property rate on these properties:

7.1.1 shall be 1:0,25 the rate that council decided on during the budget process minus a 100% rebate; and

7.1.2 shall apply to the market value of these properties reflected in the valuation roll.

7.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the property rate referred to in paragraph E. (7.1.1) above, which is the maximum rate permitted by the Rates Ratio Regulations, sufficiently accommodates the contributions of their owners and users to the public general welfare.

8. Properties used for multiple purposes:

- 8.1 These properties are subject to Section 9 of the Act and in relation to a property, mean the use of a property for more than one purpose.
- 8.2 The Municipal Council shall levy a property rate on these properties save for low-value properties.
- 8.3 The property rate on these properties with one or more components used for residential purposes shall apply to the market value of these properties reflected in the valuation roll less the first R230 000 of that value.
- 8.4 Subject to Section 9(2) of the Act, the property rate on these properties shall be determined by:
- 8.4.1 apportioning the market value of the property to the different purposes for which the property is used; and
 - 8.4.2 applying the property rates applicable to the categories determined in paragraph D. (2.1) to D. (2.8) above for properties used for those purposes to the different market value apportionments,
- 8.5 The Municipal Council shall not grant further exemptions or rebates in respect of these properties since these properties are not solely used for residential purposes (i.e. home shops, taverns, spaza shops, etc.).

9. Properties not liable for property rates:

- 9.1 The Act prohibits the Municipal Council from levying property rates on properties described in section 17(1) (a) (b), (e), (g), (h) and (i) of the Act.
- 9.2 As permitted by the Act the Municipal Council shall not levy rates on:
- 9.2.1 rights registered against immovable property in the name of any persons; and
 - 9.2.2 any properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.
 - 9.2.3 in relation to places of public worship means:
 - (a) a portion of the property used for residential purposes; or
 - (b) one residential property, if the residential property is not located on the same property as the place of worship.

Examples of these properties include parsonages, churches, graveyards and vacant place of worship properties. See list of category codes in Paragraph B.2(other and impermissible rates)

10. George Municipal Properties:

- 10.1 The Municipal Council shall exempt from property rates all properties owned by the George Municipality.

10.2 The reason for this exemption is that no good purpose would be served by the Municipality being liable for the payment of property rates to itself.

Include municipal creches / educate.

To avoid fruitless and wasteful expenditure the municipality will not levy a rate on any private road or any other property where the market value of the property is equal to or less than R30 000 or such other amount as determined by Council during the budget process.

11. **Low-value properties:**

11.1 The Municipal Council shall exempt from property rates all residential properties included in the valuation roll with a market value less than an amount as determined by Council during the budget process.

11.2 The reasons for this exemption are that the owners of these properties are generally beneficiaries of State housing programmes or persons who are unable to afford property rates.

12. **Other properties:**

12.1 The property rate on these properties:

12.1.1 shall be equal to the property rate on residential properties;

12.1.2 shall apply to the market value of these properties reflected in the valuation roll.

12.2 The Municipal Council shall not grant further exemptions or rebates in respect of these properties because the lower rates for the various categories of properties identified above sufficiently accommodates the need for exemptions or rebates in respect of properties in the Municipality's municipal area.

12.3 Sectional Title Other:

12.3.1 This category includes structures within sectional title complex zoned residential that need to be valued separately including but not limited to garages, maid's quarters and security houses. These will be rated at the residential tariff.

12.3.2 These structures will be rated at the residential tariff but will not qualify for residential threshold rebate.

12.4 Linked Properties

For the purposes of creating a single account for properties forming one economic entity, specific contiguous properties may be treated as one property on the valuation roll, i.e. one valuation for several contiguous properties. The linked-master property as well as the linked properties

will be reflected on the valuation roll, but the valuation will only be reflected against the linked-master property.

Properties may be created as one economic entity in terms of the following rules:

- a) Properties must be in the same ownership;
- b) A building(s) forming an economic entity must straddle all the contiguous erven as if they were consolidated;
- c) All municipal services must be linked to the property reflecting the total municipal valuation of the erven treated as being consolidated;
- d) A contiguous property with no economic viability or development potential and which is likely to attract no more than a nominal value, e.g. irregularly shaped or small pieces of land that cannot be optimally developed, small uneconomic land extensions for swimming pools or gardening, lanes, stairs, slivers of land bordering rivers, as well as road reserves may be treated as a linked property even though the requirements of paragraph (b) are not met;
- e) Contiguous pieces of agricultural land which are being farmed as one economic entity will also qualify should the other requirements (excluding b) be met;
- f) Parking on a separate erf that is essential for the viability of the economic unit; and
- g) Sports fields that may or may not be contiguous to a school but form an essential component of the school may be treated as an economic unit. The Municipal Valuer will, in his/her discretion, decide which properties should be treated as one economic entity in terms of the above and whether the properties should be coupled as linked properties.

13. EXEMPTIONS, REDUCTIONS AND REBATES

All owners of properties who inhabit and control such properties and are financially responsible for the payment of property rates on such properties are entitled to:

- (a) a rebate as determined by Council during the budget process on the property rates on such properties, if their total income as defined in the Municipality's Property Rates Policy is less than an amount determined by Council during the budget process.

An application for rebate on rates will not be required for the 2026/2027 financial year if-

- i) no substantial change in the existing rebate beneficiary's financial position
- ii) a new indigent application is approved for the property owner

The onus is on the property owner to ascertain if he will qualify for a higher rebate, should the Municipal Council decide to increase the rebate on rates percentages during the budget process.

(b) The pensioner must:

- occupy the residential property as his/her primary place of residence.
- he/she must be the registered owner/or be the life right owner of a property registered in the name of a retirement institution/centre.
- He/she must be the full-time occupant and may not own any other property within the Republic of South Africa.
- Proof of social grant payments (SASSA).
- Provide a copy of the life-right agreement from a registered retirement institution/centre.
- Proof of unemployment, if applicable from an accredited service provider/s or a signed affidavit by applicant
- all certificates/proof of income must accompany the application.
- the property value must be above R230 000

The rebate will only take effect the month after the application up until 31 May annually.

F. DISCRETIONARY REBATES TO PROMOTE LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

1.1 The Municipal Council may grant rebates to owners of property liable for property rates in order to promote local, social and economic development in the municipal area.

1.2 The following criteria will apply in determining whether to grant any such rebates and the extent thereof:

1.2.1 job creation in the municipal area;

1.2.2 social upliftment of the local community;

1.2.3 creation of infrastructure for the benefit of the local community;

1.2.4 the impact of the granting of the rebate on the other ratepayers.

1.3 Any application for such rebates must be made in writing accompanied by a business plan indicating how the local, social and economic development objectives of the municipality are going to be met.

1.4 Any such rebates:

- 1.4.1 shall be restricted to such amount(s) or percentage(s) of the rates payable as so determined by the Council;
- 1.4.2 shall be reported in writing to the Municipal Council at its next meeting; and
- 1.4.3 shall lapse unless confirmed by the Municipal Council or at any later meeting to which the consideration of the matter may be postponed.

G. DISCRETIONARY REBATES FOR RELIEF FROM DISASTERS OR OTHER SERIOUS ADVERSE SOCIAL OR ECONOMIC CONDITIONS

- 1.1 The Municipal Council may grant rebates to owners of property situated within an area affected by a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002) or affected by any other serious adverse social or economic conditions.
- 1.2 Any such rebates:
 - 1.2.1 shall be restricted to such amount(s) or percentage(s) of the rates payable as so determined by the Council;
 - 1.2.2 shall be reported in writing to the Municipal Council at its next meeting; and
 - 1.2.3 shall lapse unless confirmed by the Municipal Council at that meeting or at any later meeting to which the consideration of the matter may be postponed.

H. ANNUAL PAYMENT ARRANGEMENTS

- 1.1 By prior arrangement with the municipality a rate may be paid in a single amount before 30 September every year unless otherwise prescribed by legislation.
- 1.2 However, an application for this option must be submitted to the municipality before 30 June annually.
- 1.3 Late applications will only be considered by the municipality's Chief Financial Officer on good cause shown.

I. RATES CLEARANCE CERTIFICATE & RATES CREDIT REFUNDS

- 1.1 The Municipality shall issue a rates clearance certificate in terms of Section 118(1) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000), after payment of the subscribed administration fee, and once the rates and services are paid 4 months (120 days) in advance in order to facilitate the transfer of immovable property.

- 1.2 Rates clearance certificates have a validity of 60 days from the date it has been issued, in terms of Section 118(1)(b) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000).
- 1.3 In terms of section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal rates, levies and duties are a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 1.4 All debt is deemed to be collectable by the municipality in terms of Section 118(3) of the Systems Act. After registration of the transfer the outstanding debt of the previous owner may not be collected from the new owner.
- 1.5 No interest shall be paid by the municipality to the registered seller in respect of these payments which are deemed to be due.
- 1.6 All payments will be allocated to the registered seller's municipal account and all refunds will be made to the conveyancer.
- 1.7 According to Section 102 of the Systems Act (Act 32 of 2000), a Municipality may:
 - 1.7.1. Consolidate any separate accounts of persons liable for payments to the municipality.
 - 1.7.2. Credit a payment by such a person against any accounts/s of that person, and
 - 1.7.3. Implement any of the debt collection and credit control measures to any arrears on any account/s of that person. All credit amounts will firstly be allocated as per above and all refunds, if any, will be made to the conveyancer.
- 1.8 Refunds will only be issued on written request or an application for refund by the conveyancer.

J. INTEREST

Interest will be levied on outstanding amounts as set out in the Customer Care, Credit Control and Debt Collection Policy.

K. MONTHLY PAYMENT

- 1.1 The Municipality will recover the rate levied in periodic instalments of equal amounts over twelve months. The instalment is payable on or

before the monthly due date of every month in accordance with the municipal monthly accounts.

- 1.2 A person is liable for payment of a rate whether that person has received a written account. If a person has not received a written account, that person must make the necessary enquiries from the municipality as per Section 27(2) of the Act.
- 1.3 It is the owner's responsibility to ensure that the municipality has his correct contact and domicile address details.
- 1.4 The Municipality will act in accordance with its Customer Care, Credit Control and Debt Collection Policy to recover outstanding amounts.
- 1.5 The municipality may recover rates in arrears from tenants and occupiers of the property in accordance with Section 28 of The Act.

L. CORRECTION OF ERRORS AND OMISSIONS

- 1.1 In the event of any under-recovery of rates on a particular property, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the respective valuation roll.
- 1.2 In addition, where the error occurred because of false information provided by the property owner or because of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the prime rate permitted by prevailing legislation.
- 1.3 In the event of any over-recovery of rates on a particular property, whether because of the rate applied or the valuation, the account concerned shall be rectified for the year in which the mistake is detected and for not more than the two preceding financial years, subject, however, to the provisions of the Institution of Legal Proceeding against Certain Organs of State Act, 2002 (Act No 40 of 2002).

M. EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY OF PAYMENTS

- 1.1 In terms of the Act:
 - 1.1.1 The lodging of an objection or an appeal in terms of Sections 50 and 54 of the Act does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy;

- 1.1.2 The review of the municipal valuer's decision in terms of Section 52 of the Act does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy.

N. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY ROLL

- 1.1 In cases where a completed house is registered in a new owner's name that is in the process to be valued and only the completion certificate is available to the valuer, the registration date may be used to calculate the rates payable, although the effective date of the supplementary valuation is the occupation certificate date.
- 1.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:
 - 1.2.1 the municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation;
 - 1.2.2 the valuation shall be submitted to the Chief Financial Officer for approval for the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.
- 1.3 Any valuations performed in terms of section 78 shall be included in the next supplementary valuation prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such supplementary valuation is made public in terms of Section 49 of the Act.
- 1.4 If more than one property was registered on different dates since the last supplementary valuations were performed that changed the size and valuation of the remainder of a township development (mother erf), the registration date of the most recent registration can be used as effective date of the supplementary valuation of the remainder on the next batch.
- 1.5 Rates on a property based on a supplementary valuation cannot become effective on a date before the implementation date of the current general valuation roll. (GV)

O. UPDATING OF VALUATION ROLLS

1.1 General

A Municipality must regularly, but at least once a year, update its valuation roll causing a supplementary valuation roll to be prepared, if section 78 applies; or the valuation roll to be amended, if section 79 applies.

1.2 Supplementary Valuations

Supplementary valuations are done on a monthly basis (batches). A Municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any rate-able property-

- 1.2.1 incorrectly omitted from valuation roll;
- 1.2.2 included in a municipality after the last general valuation;
- 1.2.3 subdivided or consolidated after the last general valuation;
- 1.2.4 of which the market value has substantially increased or decreased for any reason after the last general valuation;
- 1.2.5 substantially incorrectly valued during the last general valuation;
- 1.2.6 that must be re-valued for any other exceptional reason; or
- 1.2.7 of which the category has changed;
- 1.2.8 the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error;

1.3 The municipality must, at least once a year, compile and publish a supplementary valuation roll of all properties included in the supplementary valuations, during the period in which the supplementary valuations took place and make it public and available for inspection in the manner provided for in Section 49 of the Act.

1.4 Rounding: The Municipality may round a valuation to the nearest R1 000,00 in cases where the municipal valuer or Valuation Appeal Board adjusted a valuation with the result that the calculation of the rates on the property can be simplified.

1.5 Each cause on a supplementary valuation (P1.2) is controlled by effective dates. Rates on a property based on the valuation of that property in a supplementary roll become payable with effect from the dates prescribed in Section 78(4) (a-e) of the Act. Notices is mailed to the owner indicating the valuation, effective date, etc. Rates amounts calculated from the effective dates are debited as a once-off amount in the owner's account.

1.6 Properties still registered in the name of a developer that are in process of being sold off in the larger development areas in George, are valued as a unit of the remainder of the main development property. (Properties with the same Owner and Title Deed number). When the individual erf is registered in the name of a private owner, it is put on the general or supplementary valuation roll with its own market value and the sizes and values of the unsold unit of erven are adjusted accordingly.

P. VALUATION OBJECTION PROCESS

After the valuer of a municipality has submitted a certified valuation roll in terms of section 49 of the Municipal Property Rates Act 2004 (Act 6 of 2004), prescribes the objection process as follow:

- 1.1 The Municipality must notify the owners of the publication of the valuation roll for public inspection for a period not less than 30 days from the date of the last notice.
- 1.2 In terms of Section 50(1) of the Act any person may within the period stated in the notice:
 - 1.2.1 inspect the valuation roll within office hours.
 - 1.2.2 request the municipality to make extracts from the roll, subject to payment of a fee as per tariff book.
 - 1.2.3 lodge an objection with the Municipal Manager against any matter reflected in, or omitted from, the roll.
- 1.3 An objection must be lodged by completing the prescribed form for each property within the advertised period.
- 1.4 An objection must be to a specific individual property and not against the valuation roll as such. Comparing the valuation to neighbouring valuation does not imply that the valuation is incorrect.
- 1.5 The Municipality may also lodge an objection through the Municipal Manager against any matter reflected in, or omitted from, the valuation roll.
- 1.6 In terms of section 50(6) the lodging of the objection does not defer liability for payment of rates beyond the date determined for payment.
- 1.7 In terms of section 54 of the Act, a person may lodge and appeal against the outcome of the objection.
- 1.8 The appeal must be submitted within the given timeframe by submitting the prescribed form which is available at the municipality.
- 1.9 In terms of section 54(4) the lodging of an appeal does not defer a person's liability for payment of rates beyond the date determined for payment.
- 1.10 The handling of late objection forms and appeal forms will be included in the next supplementary valuation process.

Q. VALIDITY OF GENERAL VALUATION ROLL

The current general valuation is valid from 1 July 2023 until 30 June 2027 four (4) years.

R. MULTIPLE OWNERSHIP

The George Municipality will not split a municipal account because of multiple ownership and will hold the owners jointly and severally liable for payment.

PROPERTY RATES POLICY

This Policy is effective from the date of approval by the Council, as per the approved system of Delegations of the George Municipality.

Signed at GEORGE on the 01 day of June 2026.

BR ELLMAN

**MR BR ELLMAN
ACTING MUNICIPAL MANAGER**