



**ETHEKWINI MUNICIPALITY**  
**TREASURY**  
**Office of the Deputy City Manager**

## **PROMULGATION OF RESOLUTION LEVYING RATES**

Notice is hereby given that on **29 May 2014** the Council of eThekweni Municipality adopted the following resolutions in conformity with the provisions of Section 14 of the Local Government: Municipal Property Rates Act 6 of 2004 and Section 17 (3) (a) (ii) of the Local Government: Municipal Finance Management Act 56 of 2003

### **1. DETERMINATION OF RATES**

In terms of the Rates Policy **2014/2015** adopted by Council on **29 January 2014**, the Municipality may levy different Rates for different categories of Property.

That the rate randage for the said financial year for the eThekweni Municipality, be and is hereby assessed and levied for the following categories at:

- Residential at 1.043 cents in the Rand
- Agricultural at 0.261 cents in the Rand
- Industrial at 3.053 cents in the Rand
- Business and commercial at 2.366 cents in the Rand
- Public service infrastructure at 0.261 cents in the Rand
- Vacant land at 4.678 cents in the Rand
- Unauthorised or illegal development 4.678 cents in the Rand
- Rural Residential at 1.043 cents in the Rand
- Development Phasing Line at 1.544 cents in the Rand

Multiple Use Property will be dealt with in accordance with the Rates Policy.

### **2. Exemptions, Rebates and Reductions:**

The following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Rates Policy.

#### **2.1 Residential Property**

That in addition to the statutory reduction of R 15 000, a further reduction of R105 000 be and is hereby approved for property values exceeding R185 000.

2.1.1 **Senior Citizens, Disability Grantees / Medically Boarded Persons and Child Headed Households:**

- (i) That in addition to the reduction in 2.1 above, a rebate not exceeding R3 390 or such lesser amount as may otherwise be payable, be and is hereby approved for qualifying pensioners, disability grantees / medically boarded persons and child headed households.
- (ii) That it be and is hereby resolved to place a maximum limit of R3 million on the value of the property, in order to qualify for the senior citizens rebate in (i) above.

2.1.2 **Public Benefit Organisations:**

That on application and approval, only Public Benefit Organisations listed in clause 7.5 of the Municipality's Rates Policy 2014/2015 shall receive an exemption from rates.

2.1.3 **Life Rights Schemes and Retirement Villages:**

That on application and approval a 25% rebate be granted to Life Rights Schemes and Retirement Villages registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

2.1.4 **Bed and Breakfast Undertakings:**

That on application and approval a rebate of 50% be granted to all Bed and Breakfast establishments, that have a valid Registration Certificate issued by eThekweni Municipality.

2.1.5 **Guest House Undertakings:**

That on application and approval a rebate of 25% be granted to all Guest House undertakings which have a valid Registration Certificate issued by eThekweni Municipality.

2.1.6 **Back -Packer Lodges, Holiday Accommodation and Student Accommodation**

- i. That on application and approval, the following rebates shall apply to Back-packer establishments that have a valid Registration Certificate:
  - a) Where up to 9 beds are available to guests, a rebate not exceeding 50% will apply;
  - b) Where up to 20 beds are available to guests, a rebate not exceeding 25% will apply.
- ii. That on application and approval, property let out for the purposes of Holiday Accommodation for reward, be granted a rebate of 25%;
- iii. That on application, property let out for purposes of Student Accommodation, be granted a rebate of 25%.

2.1.7 **Schools not for Gain:**

That a rebate of 50% be and is hereby granted to qualifying schools not for gain on the Business & commercial category.

2.1.8 **Municipal Properties**

Except for Trading Services and Housing suspensive sale agreements, property owned by the Municipality or occupied by the Municipality for development housing, is exempt from rates.

2.1.9 **Natural and Other Disasters**

- (i) That on application and approval, a temporary rebate of 75% be granted in respect of property damaged by disaster for a period of six months or a portion thereof.
- (ii) That on application and approval, that a further temporary rebate of 75% be granted thereafter for a period not exceeding six months.
- (iii) That the rebate is granted on the category of property prior to damage.

2.1.10 **Vacant Land:**

That the rebate of R 30 000 on Vacant Land outside the Development Phasing Line is hereby withdrawn.

2.1.11 **Nature Reserves and Conservation areas**

That on application and approval, nature reserves and conservation areas shall be excluded from rates.

2.1.12 **Economic Development**

Developments that fall within the Development node approved by Council may receive a rebate as approved by Council on application and will be limited to :

- (i) three years from date the development plan is approved, for investments with a property market value between R150 million to R300 million, post development; and
- (ii) five years from the date the development plan is approved, for investments with a property market value between R300 million to R1 billion, post development; and
- (iii) The rebates in (i) and (ii) above will be deferred to the next financial year and will be apportioned on completion and transfer of units within the development in accordance with the rates policy.

2.1.13 **Special Rating Areas:**

- (i) That the Special Rating Areas as indicated in Annexure A be and are hereby established:

- (ii) That in respect of the Special Rating Areas additional rates, as indicated in Annexure A hereto, be approved and levied in respect of each category of property within the boundaries of the Special Rating Area.

#### **2.1.14**

##### **Phasing in of Rates:**

That the following phasing in of rates be and are hereby approved subject to Section 21 of The Local Government: Municipal Property Rates Act 6 of 2004:-

- (i) A rate levied on newly rateable property must be phased in over a period of three financial years.
- (ii) A rate levied on property belonging to a Land Reform Beneficiary or his or her heirs must, after ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds, be phased in over a period of three financial years.

The phasing in discount on properties referred to in (i) and (ii) above will apply as follows:-

- (a) 75% in the first year
  - (b) 50% in the second year
  - (c) 25% in the third year
- (iii) A rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities must be phased in over a period of four financial years, with the following phasing in discounts:
    - (a) 100% in the first year
    - (b) 75% in the second year
    - (c) 50% in the third year
    - (d) 25% in the fourth year

#### **3. Date of Operation of Determination of Rates:**

That this determination comes into operation on **2014-07-01**.

#### **4. Final Date for Payment of Rates:**

- (i) Where rates are payable in monthly instalments, such payments shall be in twelve (12) equal or near equal instalments payable 21 days from date of account.
- (ii) Where rates are payable annually the final date for payment shall be 31 October 2014, provided that where this date falls on a Sunday or public holiday payment shall occur on the last working day prior to such Sunday or public holiday.

#### **5. Administration Charge on Arrear Rates:**

That the administration charge on arrear rates as referred to in Section 10.7 of the Credit Control and Debt Collection Policy is determined at 10 %. Collection of Arrear rates is in accordance with the adopted Credit Control & Debt Collection Policy.

**6. Interest on Arrears**

That Council shall determine the interest rate on arrear accounts, it being noted that the current interest rate is currently at prime plus 1%.

**ANNEXURE A – 2014/15**

*ADDITIONAL RATES LEVIED ON SPECIAL RATING AREAS (16.6.13 REFERS)*

<b>Special Rating Areas</b>	<b>Residential</b>	<b>Business and Commercial</b>	<b>Industrial</b>	<b>Vacant Land</b>	<b>Agriculture</b>
a) Precincts bordered by Monty Naicker, Dorothy Nyembe, Anton Lembede and Dr Yusuf Dadoo Streets. (CBD Precinct)	0,001095	0,003286	0	0	0
b) Precinct bordered by Soldiers Way, Dr AB Xuma Road, Florence Nzama Street and Bram Fischer Road. (North East Business Precinct)	0	0,000525	0,000613	0,000876	0
c) Precinct bordered by Dorothy Nyembe Street, Margaret Mncadi Avenue, Beach Walk and Anton Lembede Street. (North East Business Precinct)	0	0,000525	0,000613	0,000876	0
d) Precinct bordered by Soldiers Way, Bram Fischer Road, Sylvester Ntuli, KE Masinga and Archie Gumede (Place) Roads. (North East Business Precinct)	0	0,000525	0,000613	0,000876	0
e) Precinct bordered by OR Tambo Parade, Dr PixleyKaSeme Street Mall, Rutherford and Gillespie Streets (South Beach Precinct).	0,001677	0,005032	0	0,008386	0
f) Umhlanga Promenade Precinct bordered by Ocean Way (South), Lot 430 (North), Lagoon Drive (West) and the Indian Ocean (East).	0,000786	0,002358	0	0,003931	0
g) Precinct bordered by Burlington Road, Burlington Drive, Nagel Road, Windsor Road, Midmar Road and Henley Road.	0,003100	0,009300	0	0,015500	0

h) Umhlanga Village Precinct bordered by Flamingo Lane, Ocean Way, Lagoon Drive, McCauland Crescent, Weaver Crescent and the Ruth First Highway.	0	0,002022	0	0	0
i) Giba Gorge bordered by N3 Highway (South), Reservoir Road, Jan Smuts Avenue, Galloway Lane, Mountbatten Place, Alexander Drive, King Cetshwayo Highway (East), Portion 157 of Clifton (North) to Saint Helier Road (West)	0,000489	0	0	0,000489	0,000489
j) Maytime Community bordered by M13 Highway, Woodside Avenue, Haygarth Road, Abrey Road, Msonti, Quilhall Lane, Alexander Avenue, Mtonbi and Victory Road.	0,003909	0,003909	0,003909	0,003909	0
K) Area consisting of the length of Florida Road, from Lillian Road to Mitchell's Park, including properties on both sides of Florida Road.	0	0,006522	0,006522	0	0