



a world class African city

JoziBill

Vol. 1

Rates Policy

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**MEET THE NEW
MEMBER OF THE
MAYORAL COMMITTEE
FOR FINANCE**

Rates Policy is a constitutional requirement which provides guidance on levying of rates on all rateable properties.

JoziBill Vol. 1 breaks it down for the understanding of all residents, rate payers, stakeholders and interested parties.

MMC Jolidee Matongo

The new member of the Mayoral Committee for Finance

The newly appointed Member of the Mayoral Committee for Finance (MMC) is no stranger to the City of Johannesburg.

MMC Jolidee Matongo is a long-standing Councillor in the City of Johannesburg, and was recently appointed as the political head for Finance by the Executive Mayor, Cllr Geoff Makhubo.

MMC Matongo joined the City of Johannesburg more than a decade ago, being appointed as an Operation Manager in the Housing Department, responsible for flats and houses in Region 9. He later worked as the Deputy Director for Youth Development in the City, before joining current the current Executive Mayor, Cllr Geoff Makhubo as his Strategic Support Advisor in the Finance department in 2011.

Before joining the City, MMC Matongo worked as the Chief of Staff responsible for the overall running and functioning of the office of the MEC for Sport in Gauteng.

This was later followed by his appointment as the Chief of Staff in the Office of the MEC for Economic Development and Agriculture in Gauteng. He is currently a branch member of ward 120 in Lenasia South. He has served as a member of the ANC Regional Executive Committee (REC) for the past 18 years.

MMC Matongo, fondly known as Joli in the political and media fraternity, is a seasoned politician who cut his political teeth at the age of 13, as a student activist in Soweto. As a member of the African National Congress (ANC), he currently holds the position of Head of Media and Communications in the Joburg ANC Region. He was appointed as a regional spokesperson for two consecutive terms. MMC Matongo has a number of qualifications under his belt. These include Project Management, Quality Assurance and Public Management and Development. He also holds a B-Tech degree in public management. Currently, he is working on the completion of a Masters Degree in Public Administration.

Understanding Property Rates

The City of Johannesburg (City) reviews its Property Rates Policy annually as mandated by the Municipal Property Rates Act 6 of 2004 as amended. This policy guides the City in all aspects of levying property rates as per the legislative requirement which the City must comply with. It is important that residents of the City be accorded an opportunity to input into the drafting of the rates policy which is enforceable for a year starting on 1 July till 30 June when the City's financial year closes.

This process involves public participation meetings across all seven regions of the City at which it's officials present the rates policy, giving an opportunity to residents to add their input.

The objective of a Rates Policy is to ensure that all owners of rateable properties are fully aware of their liability for rates and able to meet their obligation. It is also the intention of the City to make all ratepayers aware that some may qualify for -



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Understanding Property Rates

The City of Johannesburg reviews its Property Rates Policy annually as mandated by the Municipal Property Rates Act 6 of 2004 as amended.....

specific relief in respect of payments for rates through exemptions, reductions and rebates as part of the City's concern for its citizens.

Even though some ratepayers may deem the Policy as that which belongs to the City only, it is worth noting that the Rates Policy empowers not only the City of Johannesburg but also helps ratepayers keep the City conversant regarding whether or not the business of levying property rates is conducted in line with the approved Rates Policy. It is therefore in the best interest of all property owners to understand the City's Rates Policy.

The layman on the street, a property is just that, property. Understanding property categories is paramount. In the Rates Policy properties are categorized for levying of differential rates. There are 10 different categories of rateable property in terms of the Municipal Property Rates Act 6 of 2004 as amended. Municipalities are allowed to have additional categories in line with Section 8(3) of the Municipal Property Rates Act 6 of 2004.

Each property is therefore levied in accordance with the property category to which it belongs thus property levies are not the same, these categories are clearly stated in the valuation roll of the City of Johannesburg. All ratepayers are advised to take note of their property categories, this way it is easy to understand whether or not the levying of property rates is correct.

We continue to invite all residents, ratepayers, stakeholders and interested parties to attend consultative meetings held in your region.

Join us at one of the following meetings and have your say.

Residents can make an input on the following email:

RatesComments@joburg.org.za

**Rates comments end
11 March 2020**

There are 23 property categories in the City of Johannesburg which are classified as follows:

Agricultural Business; Agricultural Other; Agricultural Residential; Business and Commercial; Education; Farming; Mining; Multipurpose Business; Multipurpose Residential; Municipal; Private Open Space; Public open Space; Public Service Infrastructure; Public Service Infrastructure-Private; Religious; Remainder of a Township; Residential Property; Residential With Consent Use; Sectional Title Business; Sectional Title Other; Sectional Title Residential; State; Vacant Land.

It is important to understand that the Levying of property rates to all rateable properties takes into account these property categories as well as their market value, thus each property has unique property rates charges attached to it.

Understanding Property Rates



WE WANT TO HEAR FROM YOU

Help us craft the City of Johannesburg's 2020/2021 Property Rates Policy

We invite all residents, ratepayers, stakeholders and interested parties to attend consultative regional meetings across the City of Johannesburg. This will provide the opportunity for all participants to give meaningful input into the review of the Property Rates Policy. For more information, please visit www.joburg.org.za

Join us at one of the following meetings and have your say!

Region B - 21 January 2020 18:00 - 20:00 Marko Park, Pavilion Hall Judith Road, Emmarentia	Region E - 10 February 2020 18:00 - 20:00 Sandton Customer Service Centre 137 Daisy Street, Sandton	Region G - 24 February 2020 18:00 - 20:00 Emmerdale Civic Centre Cnr Kdriz and Smith Streets, Emmerdale
Region B - 23 January 2020 18:00 - 20:00 Fentdale Recreation Centre 38 Harley Street, Fentdale	Region E - 11 February 2020 18:00 - 20:00 Marlboro Community Hall Cnr Zinia and Islamabad Roads, Marlboro	Region G - 25 February 2020 18:00 - 20:00 Don Matteman Civic Centre Link Road, Eldorado Park Ext 5
Region B - 25 January 2020 10:00 - 12:00 Danie Van Zyl Recreation Centre Cnr Rex Street and Plantation Avenue, Claremont	Region E - 12 February 2020 18:00 - 20:00 Norscot Manor Recreational Centre 68 Penguin Drive, Norscot, Fourways	Region G - 26 February 2020 18:00 - 20:00 Lenasia Civic Centre 1 Rose Avenue, Lenasia Ext 1
Region A - 27 January 2020 18:00 - 20:00 Midrand Fire Station Cnr First and Smuts Streets, Midrand	Region E - 13 February 2020 18:00 - 20:00 Jabula Recreation Centre Cnr Anne Street and Athlone Avenue, Sandringham	Region G - 06 March 2020 18:00 - 20:00 Lenasia Sports Complex Cnr Pegasus and Columbia Streets, Lenasia, Ext 9
Region A - 28 January 2020 18:00 - 20:00 Ivory Park Community Hall, Cnr Freedom & Tokoloho Drives, Ivory Park	Region E - 20 February 2020 18:00 - 20:00 Atrac Sports Complex 410 East Bank Avenue, Alexandra	Region G - 09 March 2020 18:00 - 20:00 Orange Farm Multipurpose Centre 15625 Link Road Ext 4, Orange Farm
Region A - 29 January 2020 18:00 - 20:00 Rabie Ridge Community Centre (Next to SAPS) 3 Korhaan Street, Rabie Ridge	Region E - 05 February 2020 18:00 - 20:00 Grovenor Recreation Centre 45 Battery Street, Mayfair	Region D - 29 February 2020 10:00 - 12:00 Dlamini Hall Koma Road, Soweto
Region A - 30 January 2020 18:00 - 20:00 Diepsloot Youth Centre 47 Achter Road, Paulshof, Sandton	Region E - 18 February 2020 19:00 - 21:00 Mondor Recreation Centre Cnr Daylesford Road and Columbine Avenue, Mondor	Region D - 02 March 2020 18:00 - 20:00 Jabulani Civic Centre 1 Koma Street, Jabulani
Region C - 03 February 2020 18:00 - 20:00 Rooftop Civic Centre 100 Christian De Wet Road, Florida Park	Region E - 19 February 2020 18:00 - 20:00 Eureka House, Wemmerman 92 Marlborough Street, Springfield	Region D - 03 March 2020 18:00 - 20:00 Diepkloof Hall Cnr Imrinik and Eben Cuyler Drives, Diepkloof
Region C - 04 February 2020 18:00 - 20:00 Cosmo City Multipurpose Centre Angela Drive, Cosmo City	Region F - 27 February 2020 18:00 - 20:00 Hillrow Recreation Centre Cnr Clarendon, King George and Pretoria Streets, Hillrow	Region D - 10 March 2020 18:00 - 20:00 Masadowlands Multipurpose Hall 27576 Masadowlands West Zone 10
	Region F - 04 March 2020 18:00 - 20:00 Rippenberg Recreation Centre Peggy Vera Road, Kibler Park	Region D - 11 March 2020 18:00 - 20:00 Kopanong Community Centre Mantsha Street, Dobsonville

Residents can make input on the following email:
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Next:

Frequently Asked Questions

Property Rates are broad in nature and complex to easily understand, often owners of rateable properties wonder as they attempt to understand what these rates are all about.....

Frequently Asked Questions

Property Rates are broad in nature and complex to easily understand, often owners of rateable properties wonder as they attempt to understand what these rates are all about. Below we answer some of the questions residents have been asking about Property Rates.

What do property rates pay for?

Municipalities need a reliable source of revenue to provide basic services and to perform their functions. Property rates are the most important source of general revenue for municipalities especially in developed areas.

Property rates are used to assist in building financially and economically viable municipalities. That is to enable the municipality to meet the service delivery priorities of communities.



These services include:

- Building of fully operational clinics, parks, recreational facilities and cemeteries;
- Installing and maintaining streets, roads, sidewalks, lighting and storm water drainage facilities;
- And to also fund municipal administration costs.



Who pays rates?

All owners of rateable properties pay rates whether residential, commercial, sectional title unit owners and even the Government Institutions.

How does the City levy property rates?

- The levying of property rates process starts with the valuation process. The valuation department begins the process by compiling a general valuation roll, which consists of property information of all rateable properties, inclusive of the market value and category;
- The Valuation department is responsible for the determination of property values, which are used as the City's rates base by the Rates & Taxes department to calculate rates;
- A general valuation roll is produced every four years, as stipulated within the MPRA. In the case of the City of Johannesburg, the MEC for local Government granted the City a 12 month extension. The current City's valuation roll was implemented with effect from 1 July 2018.



What are Municipal Property Rates?

Municipal property rates are the financial and legal responsibility that each owner or a rateable property pays the Municipality. This is based on the value of the property.

Next:

Legislative Imperative to Rates Policy

The Municipal Property Rates Act No6 of 2004 (MPRA), as amended, gives the City of Johannesburg the right to levy property rates.....

What is a valuation roll?

A valuation roll is a legal document that consists of all registered properties within the boundaries of a Municipality and forms the rates base for the Municipality.



How often does the city produce a General Valuation Roll?

The Local Government: Municipal Property Rates Act (Act 6 of 2004) states that every municipality must produce a General Valuation Roll at least once every four years. The City produces its General Valuation Roll every four years through the Municipal valuer.



What are other techniques that are used when valuing properties?

In terms of Section 45 of the MPRA, the physical inspection of properties to be valued are optional and other valuation techniques may be used such as-

- Aerial photography;
- Computer assisted mass appraisal systems or techniques; and
- Property banding.

- As this is a mass valuation, the Municipal Valuer uses a computer aided mass appraisal (CAMA) system to determine the values of all properties. This is based on statistical analysis and geographical information systems (GIS), and therefore requires reliable and accurate data, as per the MPRA.

How does the City value my property?

The purpose of the General Valuation Roll and its Supplementary Rolls is to determine categories and market value for all registered properties within the City. The Valuation is done on a pre-determined date as required in the Municipal Property Rates Act of 2004 as amended (MPRA) and uses the principle of willing buyer and seller in an open market to determine a fair price.



Are there any exemptions available on assessment rates?

Yes, the municipality is allowed by the Act to provide exemptions to individuals whom based on their local conditions and circumstances are unable to pay their rates.

Why does my property need to be valued?

The City uses the municipal valuation assigned to your property to help calculate your property rates.

Next:

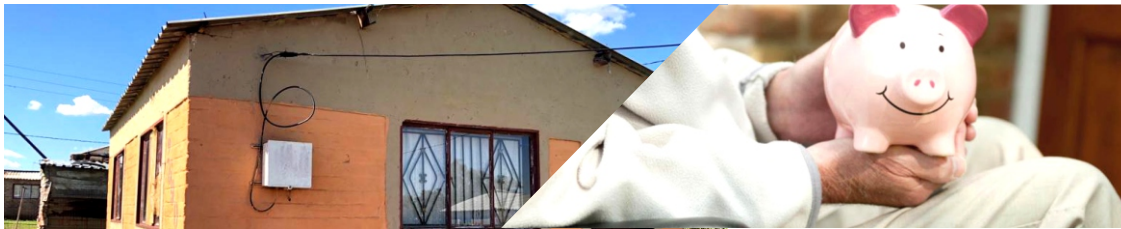
Rates Rebates for Residential Ratepayers

The City of Johannesburg is encouraging property owners who are indigent, pensioners and social grant beneficiaries to apply for pensioner rebates or expanded social package (ESP).....

The City of Johannesburg is concerned about the general wellbeing and specifically about the financial burden of its senior ratepayer, being our pensioners and it is of that reason, that the City of Johannesburg has therefore created and is offering our pensioners a variety of pensioner rebate products.

Legislative Imperative to Rates Policy

- The Municipal Property Rates Act No6 of 2004 (MPRA), as amended, gives the City of Johannesburg the right to levy property rates. Due to some implementation challenges, parliament, in 2014 approved the amendment to the MPRA No6 of 2004. The amendment became effective from 1st July 2015. When levying property rates the City takes into consideration the amendment of the Act No.29 of 2014: Local Government: Municipal Property Rates Amendment Act, as required by parliament;
- The MPRA requires the City to adopt a Rates Policy annually, which governs the property rating process and defines the different categories of properties, as well as specifies the categories of property ownership that may qualify for rates rebates and exemptions under the MPRA.



Rates Rebates for Residential Ratepayers

The City of Johannesburg is encouraging property owners who are indigent, pensioners and social grant beneficiaries to apply for pensioner rebates or expanded social package (ESP). These rebates aim to provide some financial relief to some of our vulnerable residents.

Pensioner rebate is categorised into two categories:

- 60 to 69 years;
- 70 years and above.

Documents required qualifying (60/70 years, etc):

- The applicant should be the owner of the property;
- Application completed and signed by Commissioner of oath.

60 to 69 years

- Certified ID;
- Proof of income.

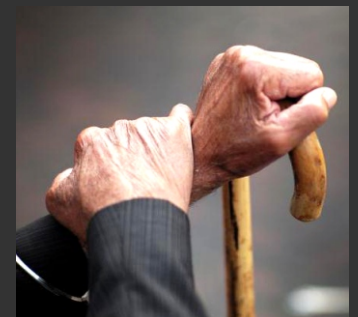
70 years and above

- Certified copy of ID only.

Percentages pensioners may qualify for:

- Property below the R350, 000 qualify for 100% without applying;
- 60-69 qualify for 100% if the value of the property is below R2.5 million;
- 60-69 earning less than R9, 753 qualify for 100%;
- 60-69 earning more than R9, 753 but less than R16, 716 qualify for 50%;
- 70 years and older qualify for 100% (no income limit).

Rates Rebates & Expanded Social Package



Next:

Expanded Social Package (ESP)

The Expanded Social Package (ESP) targets.....

Expanded Social Package (ESP)

The Expanded Social Package (ESP) targets vulnerable residents in the City such as:

- The unemployed;
- Women and children;
- Youth;
- Senior citizens;
- Persons with living with disabilities;
- Displaced persons.

People with different levels of need will qualify for different levels of subsidy according to the City's measure of poverty. Residents do not need to be municipal account holders to apply or a homeowner to qualify for the metered service benefits.

Qualifying criteria:

- Be a South African citizen;
- Must reside within City of Johannesburg's boundaries;
- Must be within the required salary band of R5 852,28 per month ;
- Must re-apply every six months.

Documents required for registration:

- Proof of income, SASSA Card, 3 months bank statements;
- Sworn affidavit confirming applicant has no bank account and no additional income;
- Proof of residence, ie, City of Johannesburg Rates and Taxes statement; Identity document;
- City Power pre-paid meter account number;
- Eskom pre-paid electricity account number, conventional account number;
- Johannesburg Water account/ pre-paid account number (ITU number on the receipt).

Types of rebates you may qualify for:

- Water subsidy;
- Electricity subsidy.

Other rebates include non-metered services: For pensioners (aged 60 and above):

- Rates sewer and refuse on properties under R2 500 000.00 (Two million, five hundred thousand rand);
- The property must be owned by the pensioner.

For working age citizens and the unemployed (aged 18-59):

- Rates rebate on properties valued under R500 000.00 (five hundred thousand rand);
- The property must be in the name of the account holder.

Understanding Calculations

Step one:

$(\text{Market value} - \text{R}350\,000(\text{threshold})) \times (\text{rate in the rand})$
= Annual rates

Step two:

$\text{Annual rates} / 12 = \text{Monthly rates}$

Example:

Residential market value R500 000
= $\text{R}500\,000 - \text{R}350\,000$ (property threshold) = $\text{R}150\,000 \times 0.007749$
Annual property Rates = R1162.35
Monthly property rates = R96.86

Rates Rebates & Expanded Social Package



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Understanding Property Rates Calculations

According to the Municipal Property Rates Act, property rates are calculated on the value of the property.....



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Our objective is to educate and inform. Be on the lookout for **Vol. 2** as we continue to impart more information and knowledge about all municipal services on offer by the Joburg Finance Department of the **World Class African City.**

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