

# SCHEDULE 1: PROPERTY RATES





CITY OF EKURHULENI

SCHEDULE "1"

**DETERMINATION OF PROPERTY RATES TARIFFS FOR THE 2023/2024  
FINANCIAL YEAR**

In terms of the relevant legislation the City of Ekurhuleni at a meeting held on **25<sup>th</sup> May 2023**, resolved to amend its Tariffs for Property Rates with effect from **01 July 2023**, as follows:

**Start Date: 01 July 2023**  
**End Date: 30 June 2024**

1. **THAT** in terms of Sections 2, 7, 8 and 14 of the Local Government: Municipal Property Rates Act 6 of 2004 ("the Act"), read with Sections 4(1)(c)(ii) and 11(3)(i) and 75A of the Local Government: Municipal Systems Act 32 of 2000, the following rates in the Rand **BE LEVIED** for the financial year 1 July 2023 to 30 June 2024, on the market value of property or on the market value of a right in property within the area of jurisdiction of the Council as appearing in the valuation roll, in respect of the various categories of properties set out below:

Category	Ratio	Rate in the Rand
Residential Properties	1:1.00	0.01098
Industrial Properties	1:2.50	0.02746
Business and Commercial Properties	1:2.00	0.02197
Agricultural Properties	1:0.25	0.00275
Municipal Properties	1:2.00	0.02197
Public Services Infrastructure Properties (PSI)	1:0.25	0.00275
Public Service Purpose Properties (PSP)	1:2.00	0.02197
Public Benefit Organisation Properties	1:0.25	0.00275
Mining and Quarries	1:3.00	0.03295
Vacant Land	1:4.00	0.04393

2. That the rates levied in terms of paragraph 1 above **SHALL BECOME DUE AND PAYABLE** in twelve equal instalments on fixed days for twelve consecutive months, these being the due date stipulated in the account sent to the ratepayer.

3. That interest at the prime rate of the Ekurhuleni Metropolitan Municipality's bankers (currently ABSA Ltd) will **BE CHARGED** per month or part thereof on all arrear property rates at the applicable interest rate, adjusted quarterly as specified in Schedule 6 - Tariffs : Financial Services.
4. That in terms of Section 15(1)(b) of the Act read with Council's Property Rates Policy, the Council grants, the following reduction in market value and rebates on the rate levied for the financial year to any owner of ratable property in the following circumstances :
  - 4.1 That in terms of section 17(h) of the Municipal Property Rates Act, No 6 of 2004, the impermissible value of the market value of a property assigned to the residential category in the valuation roll or supplementary valuation roll, **BE CONFIRMED as R 15 000.**
  - 4.2 That in terms of section 15(1)(b) of the Municipal Property Rates Act, No 6 of 2004, reduction of the market value of a property assigned to the residential category in the valuation roll or supplementary valuation roll, **BE DETERMINED as R 135 000.**
  - 4.3 **Indigent household** – Owner of residential property, registered in terms of Council's approved indigent policy, 100% rebate **BE GRANTED** from paying of property rates.
  - 4.4 **Deemed Indigent household** – Owner of residential property, qualifying in terms of Council's approved indigent policy, 100% rebate **BE GRANTED** from paying of property rates.
  - 4.5 **Child headed households** – That a child headed household registered in terms of Council's approved indigent policy, 100% rebate **BE GRANTED** from paying of Property Rates.
  - 4.6 **Age / Pensioners reduction, Disability grantees and medically boarded persons** – That in addition to the reduction in 4.1 AND 4.2 above and subject to requirements as set out in Council's Property Rates Policy, an additional reduction of **R150 000.00** on the market value of residential property owned by person older than 60 years of age or registered as "Life right use" tenant in deeds office (Age / Pensioner reduction), disability grantees and medically boarded persons **BE GRANTED.**
  - 4.7 **Aged / Pensioners rebate, Disability grantees and medically boarded persons** – That in addition to the reduction in 4.1 and 4.6 above, an additional rebate **BE GRANTED** in respect of sliding scale based on average monthly earnings.

The applicant must:

- i. be the registered owner of the property or registered as "Life right use" tenant in deeds office.
- ii. produce a valid identity document;
- iii. be at least 60 years of age upon application, provided that where couples are married in community of property and the property is registered in both their name,

the age of the eldest will be the qualifying factor, **or** approved disability grantee **or** approved medically boarded person;

- iv. not be in receipt of an indigent assessment rate rebate;
- v. reside permanently on the property concerned which consists of one dwelling only and no part thereof is sub-let;
- vi. confirm the aforementioned details by means of a sworn affidavit and / or latest income tax assessment.
- vii. On approval, the following rebates will be applicable :

<b>Average Monthly earnings in respect of preceding 12 months.</b>	
R0.00 to R 3,960 (2 x State pensions when amended)	100 % rebate on property rates
R3,960.01 to R8,360.00	85% rebate on property rates
R8,360.01 to R12,540.00	70% rebate on property rates
R12,540.01 to R16,720.00	55% rebate on property rates
R16,720.01 to R20,900.00	40% rebate on property rates

viii. That the minimum “average monthly earnings” be adjusted annually and effective in accordance with National Government Budget announcement in respect of state pensions.

4.8 **Sporting Bodies** - used for the purposes of amateur sport and any social activities which are connected to sport and registered in terms of section 8 of the Ninth schedule of the Income Tax act 58 of 1962, **90% REBATE** in respect of the amount levied as rates on the relevant property but subject to existing agreements between club and Council not determining a different position.

4.9 **Welfare organisations** - registered in terms of the National Welfare Act, 1978 (Act No. 100 of 1978), **100% REBATE** in respect of the amount levied as rates on the property.

4.10 **Public benefit organizations/Non-Governmental Organisations (NGO's) and Cultural 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, **100% REBATE** in respect of the amount levied as rates on the property.

4.11 **Private schools, Universities, Colleges and Crèches :**

- i. Private (Independent) primary and secondary schools (regardless of whether subsidized or not), registered as educational institutions with Department of

Education, **BE REBATED** between **70% and 100 %** in respect of the amount levied as rates on the relevant property, subject to prior application and submission of prior years audited financial statements. Rebate will be adjusted in accordance with percentage ratio between net profit and gross income in the following categories:

Net Profit after tax %			Rebate %
0.00 %	To	10.00%	100%
10.01%	To	20.00%	90%
20.01%	To	30.00%	80%
30.01%	To	40.00%	70%

- ii. Private (Independent) Universities and colleges, registered as educational institutions not subsidized by state, **20% REBATE** in respect of the amount levied as rates on the relevant property.
- iii. Crèches, registered as educational institutions, **100% REBATE** in respect of the amount levied as rates on the relevant property.

4.12 **Municipal** – That non-trading services **BE EXEMPTED** from paying of property rates.

4.13 **Vacant unimproved stands** - That a **75%** rebate **BE GRANTED** on residential property on which a dwelling unit(s) is/are being constructed and which will be used exclusively for that purpose, subject to the following conditions :

- i. That an approved building plan is supplied;
- ii. That a residential dwelling unit(s) be constructed on the property;
- iii. That the 75% rebate be granted for a maximum period of eighteen (18) months from the date the approved building plan was supplied;
- iv. That the occupation certificate be supplied at the end of the eighteen (18) month period;
- v. That the failure to supply the occupation certificate will result in a reversal of the 75% rebate already granted; and
- vi. That in the event that the said property is sold prior to the issue of the occupation certificate, the rebate already granted be reversed.

4.14 That rebates in respect of items 4.3 to 4.12, **BE SUBJECT** to the submission and approval of required application in respect of new applications. Existing approvals remains effective for duration of validity period of general valuation roll or whilst qualifying criteria are met.