



## **FREQUENTLY ASKED QUESTIONS (FAQ) ON THE MUNICIPAL PROPERTY RATES ACT NO6 OF 2004 (MPRA)**

### **1. WHAT IS THE MUNICIPAL PROPERTY RATES ACT?**

The Municipal Property Rates Act is the legislation that regulates the power of Municipalities to value and rate immovable properties (that is, land and building).

### **2. WHY IS THERE A NEED FOR THE MUNICIPAL PROPERTY RATES ACT?**

- To regulate the power of a municipality to impose on property (in accordance with section 229 (2) of the Constitution);
- To provide a uniform framework for regulating the rating of property throughout the country;
- To exclude certain properties from rating in the national interest;
- To make provisions for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through rating policies that are a product of collective participation of communities;
- To make provision for fair and equitable valuation methods of properties;
- To make provision for a fair objections and appeals process regarding valuation of property;
- To assist in building economically and financially viable municipalities that are unable to meet the service delivery priorities of their communities.

### **3. WHAT IS THE MAIN PURPOSE OF THE MUNICIPAL MARKET VALUE?**

It is for the purpose of levying assessment rates (property tax) only.

### **4. CAN ONE USE THE MUNICIPAL MARKET VALUE TO SELL HIS / HER PROPERTY?**

NO. The Municipal market value is for the purpose of levying assessment rates (property tax) only. If one wants to sell his/her property, he / she must decide what the selling price will be. The municipal market value should not be used for the purpose of selling the property.

**5. WILL THE MUNICIPALITY SEND THE NOTICE TO ALL PROPERTY OWNERS REGARDING THEIR PROPERTY VALUATION AND WHAT IS THE PURPOSE OF THE NOTICE?**

Yes, the municipality will send the notice to all property owners regarding the new property valuation and the purpose of the notice will be to inform you at the amount at which your property has been valued by the municipality and entered in the new valuation roll which will take effect on 1 July 2014.

**6. WHAT WILL I DO IF I AM DISPUTING THE VALUE OF MY PROPERTY?**

You will lodge the objection with the municipality in terms of section 50 of the MPRA.

**7. WILL I RECEIVE A NOTICE IN ORDER TO LODGE MY OBJECTION?**

Yes,

A notice will be given in terms of section 49(1)(a)(i) of the Local Government : Municipal Property Rates Act, 2004 (Act No. 6 of 2004). The Valuer will receive objections in terms of MPRA Section 50(5), comply with MPRA Section 51 and where MPRA Section 52(1) is applicable and will comply with section 52(a), 53(1) and 53 (3).

**8. WHAT DO I DO IF I RECEIVE A WRONG NOTICE?**

Remember objections are not only lodged for the market value but are also lodged for incorrect property description or incorrect owner names.

**9. WHEN WILL THE PROCESS OF OBJECTION START?**

The process of the objections will start from the 1<sup>st</sup> April 2014 to the 23<sup>rd</sup> of May 2014.

**10. WHEN DID THE VALUATION PROCESS STARTED FOR THE NEW VALUATION ROLL?**

The valuation process started in February 2013 and will be implemented in 1 July 2014.

**11. WAS THE MUNICIPAL VALUER AT MY PROPERTY?**

YES. The Valuer values the property through physical inspection as well as satellite photograph in terms of the MPRA section 45 (2) (a).

**12. DID COUNCIL APPROVE THE VALUATIONS?**

YES. The valuation was approved by the Municipal Manager on behalf of the Council as stipulated in terms of Section 50 subsection (4).

**13. WILL MY VALUATION BE HIGHER THAN MY NEIGHBOUR WHEREAS OUR PROPERTIES ARE THE SAME?**

Yes. The objection in terms of subsection (1) (c) of section 50 of the Act must be in relation to a specific individual property and not against the valuation roll as such. No comparisons should be made in this regard as the stand sizes of properties are not same.

#### **14. WHAT HAPPENS AFTER I HAVE LODGED MY OBJECTION**

The matter will be taken to the Municipal Valuer, who will review the valuations in the light of any additional information provided by you. You will be informed in writing of the outcome. Kindly be advised that the lodging of an objection does not defer liability of payment of rates beyond the date determined for payment.

#### **15. WHAT HAPPENS IF I AM UNHAPPY WITH THE DECISION OF THE MUNICIPAL VALUER?**

You may lodge an appeal against the valuation and this appeal will be heard by Valuation Appeal Board, which is appointed by Provincial Government. The outcome sent to you will indicate on how you will lodge an appeal.

#### **16. WHAT ARE THE IMPLICATIONS OF ADJUSTMENTS OR ADDITIONS TO THE VALUATION ROLL?**

Any adjustments or additions to the valuation roll in terms of section 51 (c) and 52 (3) take effect on the effective date of the valuation roll. If the adjustment in the valuation of a property affects the amount due for rates payable on that property, the Municipal Manager must:

- a) Calculate the amount actually paid on the property since the effective date and amount payable in terms of the adjustments on the property since the effective date
- b) Recover from or repay to, the person liable for the payment of the rate the difference **(the account will either be credited or debited with the adjustment amount)**.

Where an addition has been made to a valuation roll as stipulated above:

- a) The Municipal Manager must recover from the person liable for the payment of the rate of the amount due for rates payable **(the account will be debited with the adjustment amount)**.

#### **17. WHERE WILL I FIND OUT WHAT OTHER PROPERTIES HAVE BEEN VALUED AT?**

You may view valuation roll on the website at [www.lesedilm.gov.za](http://www.lesedilm.gov.za) alternatively you can visit our offices. The inspection of the valuation roll will start from 1 April 2014.

## **18. HOW ARE PROPERTY RATES CALCULATED?**

The amount payable is calculated by taking the market value of the property less impermissible rate in terms of section 17 of the MPRA (residential properties including Sectional Titles properties) and then multiply by a cent amount in the rand that a Municipal Council determines in terms of the Rates and tariff policy and less additional rebate. Impermissible rate and additional rebate is not applicable to businesses/commercials/ industrials.

- Assessment rates formula for household = **Market value – R15 000 X rate tariff – R100 000 /12 = assessment rate per month**
- Assessment rates formula for business = **Market value X rate tariff / 12 = assessment rate per month**

For more information regarding FAQ's, kindly contact the following officials:

Alida Van der Walt – (016) 340 – 4410 or Godfrey Biljoen – (016) 340-4416 or Manager Revenue and Credit Control - Sindiswa Zukani – (016) 340 - 4411

**A MAKHANYA**

**MUNICIPAL MANAGER**