

**SUBMISSION TO THE PORTFOLIO COMMITTEE ON LOCAL GOVERNMENT ON THE
PROPERTY RATES BILL [B19-2003]**

**LOCAL GOVERNMENT PROJECT
COMMUNITY LAW CENTRE
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A. Chapter 1 - Definitions

The following recommendations are made in relation to this chapter: -

“**improvements**” this definition should include the words **adding value** to the property whether immovable or moveable.

“**local community**” this definition is very wide and can become onerous on municipality when preparing a rates policy or determining a special rating area.

“**newly rateable property**” this definition should be extended to include **property that had been incorrectly excluded from the valuation roll.**

B. Chapter 2 - Rating

Section 3

Subsection 3 seems to interfere with a municipality’s constitutional right (section 229 – Municipal fiscal powers and functions) to grant rebates and reductions that are suitable for the circumstance in its own area. It is submitted that a National Framework is inappropriate and this subsection should be deleted.

Section 4

Chapter 4 of the Municipal Systems Act adequately deal with community participation accordingly paragraph (b) of subsection (1) as well as subsection (2) and (3) should be deleted.

Section 8(3)

It is recommended that the terminology used in section 8(3) dealing with rateable properties should be defined. Definitions for 'residential property', 'industrial property' and 'commercial property' should be inserted in chapter one.

Section 8(3)(i)

Clear indication must be given to municipalities on whether they will be able to tax tribal and other forms of communal land simply because the current *Communal Land Rights Bill* is not in line with the Property Rates Bill on this issue.

Section 9

This section is in conflict with section 15(b)(3) of the *Sectional Title Act, 1986*. It is recommended that above section be amended to be in line with this Bill.

Section 13

This section is inconsistent with a similar process for levying rates as per section 75A of the *Municipal Systems Act*. It is suggested that the provisions of section 75A that deals with tariffs be followed.

Section 17

The reference to 'types of municipality' in subsection (2)(a) appears to be a mistake. The political structure of a municipality has no relevance to increase rates and the reference should be deleted.

The power of the Minister in subsection (3) to cap increases in the Bill is to broadly based and should be limited by the criteria provided for in section 229(2)(a) of the Constitution. It should thus be the same criteria, which limit the power of a municipality to impose property rates, which are referred to in section 15(1) of the Bill.

Section 19

Subsection 19(2)(c) establish a committee to deal with special rating areas. There is no need for a committee because the *Municipal Structures Act* and the IDP process already provide for ward committees to serve as a consultative and advisory forum for the municipality.

C. Chapter 4 - General valuation of rateable property

Section 30

In terms of subsection (3) the MEC for Local Government may “take appropriate steps, including an intervention in terms of section 139 of the Constitution.’ It is submitted that only the provincial executive has that power to intervene in terms of section 139 of the Constitution and not the MEC. It submitted that this section should be amended to reflect the above.

Section 37

The *Promotion of Access to Information Act* takes preference over any other legislation and the disclosure of “confidential information” should be determined in terms of that Act and not the proposed Bill.

D. Chapter 6 – Valuation rolls

Section 47

This section should included a provision notifying the owner if a decision has been referred to the valuation appeal board in terms of section 46.