



# CITY OF JOHANNESBURG

## RATES POLICY & RATE BYLAW REVIEW 2019/2020

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- Property rates is a tax
- In terms of Section 11 of the Prescription Act 68 of 1969 and the Council may recover rates in arrear for a period of up to 30 years
- The Rates Policy guides the City in all aspects of levying rates on property owners as required by the Local Government Municipal Property Rates Act 6, of 2004 (MPRA)
- Property Rates are levied as a cent in the Rand based on the market value of the property as reflected in the valuation roll
- Council levies different rates for different categories of rateable property based on zoning
- Council through the Rates Policy gives reductions and rebates on certain categories of properties as promulgated
- Council must review Rates Policy annually
- Council must conduct public participation on the draft Rates Policy in accordance with Chapter 4 of the Systems Act

- First phase public input into the Rates Policy for 2019/2020
- First phase starts on the 14<sup>th</sup> January 2019
- Due date for comments, submission and inputs is 19<sup>th</sup> February 2019
- Second phase proposed Rates Policy and proposed Tariffs (April 2019)
- Rates policy is available on : [www.joburg.org.za](http://www.joburg.org.za)
- Written comments can be:
  - Emailed to : [RatesComment@joburg.org.za](mailto:RatesComment@joburg.org.za),  
[pumzaj@joburg.org.za](mailto:pumzaj@joburg.org.za), [tandisizwes@joburg.org.za](mailto:tandisizwes@joburg.org.za)

### **The Rates Policy review process for 2019/2020 financial year is done under the following background :**

- City has implemented its third Valuation roll under the MPRA as amended
- The Rates Policy has been reviewed annually since 2008 to take into account legislative changes and City policy direction and public input
- The review of the Policy is done to support Diphethogo
- The review is done to enhance policy while ensuring that the required revenue is realized.
- A balance is maintained between affordability and revenue increase when proposing new tariff increases
- The review of the Rates Policy aligns City strategic directive of being pro-poor
- Alignment of Rates policy and other policies that have direct impact on Rates as well as the Strategic Direction adopted by the City
- Maintaining affordability, competitive and promote economic development as provided for by the Tariff Policy.
- Civic education on the Rates policy, Rates By-law and its impact
- Implementation of the City's strategic direction.

- Credit rating of the Country has dropped and the forecast is not looking good
- Economic growth of the Country has slowed down and the projected grow is not looking positive
- CPI target set by the Reserve Bank and it is almost closer to the maximum limit
- Future Electricity increase
- Increase on Vat has impacted the consumer negative
- Basket of household goods have increased
- Reduction in disposable income
- More property owner depending on social grants
- Business requesting more relief
- Determination of ratios by CoGTA with immediate implementation
- Reduction of Grants
- Reduction of Business ratio to 1:2

- Aligning the Rates Policy with the decision of Valuation Appeal Board decisions
- Rewording the sections of the Rates Policy to read correctly.
- Aligning the Rates Policy with other City Policies
- Complying with the provision of Property Rates Act(Section 93A)
- Reformulating of Corridors of Freedom
- Rebate for new investment in Industrial zones
- Special Rating areas Policy
- Land base financing instrument

No	Category	Ratio 2018/2019	Rates for 2018/2019 (amount in the rand )
1	Agricultural Residential	1:1	0.007345
2	Agricultural Business	1:2.6	0.019097
3	Agricultural other	1:1	0.007345
4	Residential	1:1	0.007345
5	Consent use	1:2	0.014691
6	Business and Commercial	1:2.6	0.019097
7	Sectional title business	1:2.6	0.019097
8	Sectional title residential	1:1	0.007345
9	Sectional title other	1:1	0.007345
10	Municipal property	1:0	0
11	Farming	1:0.25	0.001836
12	Mining land	1:2.6	0.019097
13	Vacant land	1:4	0.029380



<b>14</b>	<b>PSI</b>	<b>1:0.25</b>	<b>0.001836</b>
<b>15</b>	PSI privately owned	1:0.25	0.001836
<b>16</b>	Private open spaces	1:0.25	0.001836
<b>17</b>	Public Open Space	1:0	0
<b>18</b>	State	1:1.5	0.011017
<b>19</b>	Public benefit	1:0.25	0.001836
<b>20</b>	Education	1:0.2	0.001836
<b>21</b>	Religious	1:0	0
<b>22</b>	Multipurpose Residential	1:1	0.007345
<b>23</b>	Multipurpose Business	1:2.6	0.019097
<b>24</b>	Re of a township	1:2.6	0.019097
	Penalty tariff		
<b>1</b>	Unauthorised use	1:6	0.04407

Email your comments to: [ratescomments@joburg.org.za](mailto:ratescomments@joburg.org.za)

Questions and Discussion

Thank you

