

31 March 2013

**2013 GENERAL VALUATION INFORMATION**

Dear Property Owner

**MUNICIPAL PROPERTY RATES, ACT 6 OF 2004**

**IMPLEMENTATION OF THE PROPERTY VALUATION ROLL - 1 JULY 2014**

This is a very important communication and we thank you for taking a few minutes of your busy schedule to familiarize yourself with the contents hereof.

A new General Valuation of all properties within the area of jurisdiction of the Kouga Municipality will be implemented with effect from 1 July 2014. This Valuation has been carried out in terms of the Valuation Act (No 6 of 2004 as amended) as well as the Regulations published in terms thereof in Government Gazette No 29304.

In addition, the Municipality will very shortly be publishing and embarking on a Public Consultation process in regard to the adoption of a Rates Policy and By-Law which are legal pre-requisites for the levying of rates information meetings. Information meetings regarding the General Valuation 2014 will be held in locations around the Kouga Municipality's area. Public notices will be published in the local newspapers in connection with the information meetings in your area.

The legislation referred to has introduced a number of innovations and changes which have been designed to provide nationwide uniformity, simplicity and certainty as well as to take into account the historical imbalances and the annual rates burden on the poor. This communication is an earnest endeavour on the part of your Council to inform you of some of the salient aspects of the legislation with a view to your being informed and enlightened which will also obviate and hopefully minimize premature speculation whether made mischievously, in good faith or out of ignorance. Should you, after having read the contents herein, still have queries which you wish to have clarified, you are encouraged to avail yourself of any of the following options:

- Visit the Municipal Valuation office – Jeffreys Bay Unit
- Send a fax to the Municipality quoting your Name, Property Erven no and Portion no, and address and stating briefly the nature of your enquiry. See below.
- Send an email to the Municipality quoting your Name, Property Erven no and Portion no and address and stating briefly the nature of your enquiry. See below.

In order to make the communication more reader friendly and easily understood, it has been formatted on a question and answer basis and reflects experiences gleaned locally and from municipalities elsewhere in the country.

**For all your Valuation enquiries please contact the following persons for the specific area. Enquiries have to be directed to the correct person allocated to the specific area where your properties is.**

Sindy Zondani  
[valuations3@kouga.gov.za](mailto:valuations3@kouga.gov.za)  
Telephone : 042 200 2128

: Aston Bay, , Pellsrus, Paradise Beach,  
Humansdorp, Kruisfontein

Regardt van Vuuren  
[valuations2@kouga.gov.za](mailto:valuations2@kouga.gov.za)  
Telephone : 042 200 2128

: Hankey, Loerie, Patensie, Thornhill, Gamtoos  
Uitenhage Rd, Humansdorp Rd, Crossways  
Farm Village

Marinda van der Merwe  
Telephone: 042 2002127  
[valuations@kouga.gov.za](mailto:valuations@kouga.gov.za)

: St Francis Bay, Cape St Francis, Oyster Bay, St  
Francis Links, Jeffreys Bay

### **Question 1:**

#### **What is the Municipal Property Rates Act?**

- **The Municipal Property Rates Act 6 of 2004** is National Legislation which has been introduced in order to provide nationwide uniformity, simplicity and it also takes into account the historical imbalances and rates burden on the poor.

### **Question 2:**

#### **What is the Purpose of the Municipal Rates Act?**

- To regulate the power of a Municipality to impose rates on property.
- To make provision for Municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policy and by-law.
- To make provision for fair and equitable valuation methods of properties.
- To make provision for an objection and appeal process regarding the market valuation.
- To ensure people are rated in a fair and equitable manner.

### **Question 3:**

#### **What are the main features of the Municipal Property Rates Act?**

- Property will continue to be valued at the market valuation i.e. the price that a willing buyer and willing seller agree upon. The individual units within a sectional title complex

will be valued separately and each owner will receive his/her own rates bill. There will be more flexibility in granting relief to the needy, and medically boarded persons below a certain level of income and who qualify, as well as greater flexibility in rating different categories of properties. **Rebates are applicable to owners who permanently occupy their property. An undeveloped property does not qualify for a rebate.**

**Question 4:**

**What is meant by the date of valuation?**

- This is a date set by die Municipality to which all values relate. The values must reflect the market value of the properties in accordance with the market conditions which applied at that date. The current date of valuations has been set at **1 July 2013**. Implementation date **1 July 2014**.

**Question 5:**

**The Valuation period:**

- The Act provides that the Municipality must set a Valuation date every 4 years for the Re-Value of all properties. This Valuation Period will be from **2014 to 2018**. There will be Supplementary Valuations during this 4 year period. A Supplementary Valuation is an addition to the General Valuation and will take place where the following conditions apply:-

**For Example:**

- New dwelling that was erected on a vacant stand after the General Valuation date.
- Building was completed after the General Valuation.
- Additions to a building.
- Sub-divisions : Both the sub division of a stand and the remainder will be re-valued.
- Consolidations of stands.
- Re zoning of property will also be re-valued.
- Proclamation of new Town Developments will be re-valued.
- Farms **added** to the Kouga Municipal by the Demarcation Board.
- Act of God – Fire, flood etc.

**Question 6:**

**What does the Municipality Property Rates Act mean to me?**

- The valuation placed on your property under the new Act will be more easily understood and equitable in that it will equate to what your property is actually worth at the time of valuation.

**VALUATIONS:**

**Question 7:**

**If my property was not sold, how did you based the valuation on selling price?**

- By references to similar properties in the neighborhood that have been sold.

**Question 8:**

**What criteria were used to assess property values?**

- Market valuations are based on transactions between willing buyers and sellers and the factors that influence these transactions.

## **SECTIONAL TITLE PROPERTIES**

### **Question 9:**

#### **How will properties held under Sectional Title be treated?**

- In terms of the Act each registered sectional title unit must be separately valued and a separate rates account sent to each individual registered owner. Rates will therefore no longer be the concern of the Body Corporate.

## **RATES**

### **Question 10:**

#### **Why have a rates Policy?**

- Section 3 of the Municipal Property Rates Act makes it obligatory for a Municipality to adopt a Rates Policy and By-Law.

### **Question 11:**

#### **Why do we charge rates?**

- Municipalities need a reliable source of revenue to provide basic services and perform their functions. Revenue from property rates is used to fund services which benefit the community as a whole. These include, but are not limited to construction and maintaining streets, roads, sidewalks, street lighting, storm-water drainage facilities, operating and maintaining clinics, parks, recreational facilities and cemeteries, libraries as well as the administration of the Municipality.

### **Question 12: Who pays rates?**

- Unless otherwise provided for, rates are paid by all owners of properties whether residential, commercial, industrial, farming, agriculture, sectional title unit owners as well as the Government.

### **Question 13: How do we calculate rates?**

- Property rates are calculated on the value of the property. The Property Rates Act requires that this value must be the "Market Value". Rates are calculated by multiplying the market value of immovable property by a cent amount in the rand which is determined when the budget is approved :

**Example : Valuations x Tariff R/c = Rates payable**

### **Question 14: Will my rates increase?**

- Property valuations form the basis by which property taxes are calculated. The rates tariffs will only be known once the Municipality's budget has been finalized for the particular year. The date of implementation is July, 1 each year.

### **Question 15: Why do we have categories of Property?**

- The Property Rates Act allows a Municipality to levy differential rates to different categories of properties. This permits greater flexibility in spreading the rates charge more equitably. **Chapter 2, no 8 of the Property Rates Act , clearly explains these categories.**

### **Question 16: Why do we have categories of Owners?**

- The Property Rates Act allows a Municipality to define categories of owners to whom rebates, reductions and exemptions may be granted e.g. the poor, pensioners below a certain income and disability grantees **who qualify** will receive a percentage rebate while sporting bodies and public benefit organizations will receive exemptions provided they meet the criteria set out in the policy.

**Question 17: How and when do I pay rates?**

- Rates can either be paid in a lump sum annually before the September, 30 (you need to apply in writing) each year or in monthly installments consolidated with your water and electricity bill. Payments can be made at all Municipal offices or at EASYPAY and Post Office pay points, or direct debit or via internet transfers. If you do not receive an account, then you, as owner of the property, must request an account or register on Kouga Municipality's website where you will access your account at any time. **The non-receipt of an account does NOT exonerate a property owner from paying such account. It is the responsibility of the owner to make the necessary enquiries from the Municipality. (see Rates Property Act Chapter 3 Section 27/2)**

**NOTIFICATIONS OF VALUATIONS**

**Question 18: When will the Valuation Roll be made public?**

- It is planned to make the Roll available for public scrutiny and objections during **February 2014.**

**Question 19: How will I know what the new value of my property is?**

- A notice will be posted in January/February 2014 to each registered property owner informing him/her of the value which has been determined in respect of his/her property. **Again, if you haven't received a notice by March 2014, the onus is on the property owner to contact the Municipality's Valuation Department.**

**Question 20: Where can I find out what other properties have been valued at?**

- You may view the entire Valuation Roll at the Municipal offices and libraries indicated in the attached notice or on the Municipal Website: [www.kouga.gov.za](http://www.kouga.gov.za)

**OBJECTIONS AND APPEALS**

**Question 21: What should I do if I am unhappy with the Valuation?**

- Should you feel that your property has been over- or undervalued, you may lodge and objection on the prescribed form which is obtainable from the Municipality or download the form from the under mentioned website. **If you do not have internet access you can call the Valuation Department to fax the form to you.**
- The route to the valuations is: [www.kouga.gov/valuations/2014](http://www.kouga.gov/valuations/2014) general valuations.

**Question 22: How do I lodge an objection?**

- You can do this by completing and handing in the prescribed form together with any information you have in support of your objection at the Municipal offices in Jeffreys Bay or by posting the objection form by **Registered Post clearly marked FOR**

**ATTENTION: MARINDA VD MERWE at Kouga Municipality, P O Box 21, Jeffreys Bay, 6330.**

- An Objection number will be allocated to you as proof of your submission and also for future reference.

**The Municipality will take no responsibility for any unregistered Objection forms that did not reach the Valuation Department.**

**TAKE NOTE: NO OBJECTION FORMS, FAXED OR EMAILED WILL BE ACCEPTED AFTER THE CLOSING DATE. OWNERS WILL HAVE TO APPLY DIRECTLY TO THE PROVINCIAL GOVERNMENT FOR CONDONATION IF AN OBJECTION IS LATE.**

**NOTIFICATION OF OUTCOME OF OBJECTIONS & FURNISHING OF REASONS:**

- Within 30 days after having been informed of the decision of the Municipal Valuer, an objector or owner, may apply on the prescribed form to the Municipal Manager for the reasons for the decision. A prescribed fee as determined in the budget must accompany the application.

**TAKE NOTE: NO REQUEST FOR REASONS , FAXED OR EMAILED, WILL BE ACCEPTED AFTER THE CLOSING DATE. OWNERS WILL HAVE TO APPLY DIRECTLY TO THE PROVINCIAL GOVERNMENT FOR CONDONATION IF AN OBJECTION IS LATE.**

**Question 23: What happens if I am still unhappy with my valuation?**

- You may lodge an appeal against the valuation and this appeal will be heard by the Valuation Appeal Board which is a tribunal appointed by the Provincial Government.

- **TAKE NOTE: NO LODGING OF AN APPEAL , FAXED OR E-MAILED, WILL BE ACCEPTED AFTER THE CLOSING DATE. OWNERS WILL HAVE TO APPLY DIRECTLY TO THE PROVINCIAL GOVERNMENT FOR CONDONATION IF AN APPEAL IS LATE.**

**If the owner of a property did not object to the value he will not be allowed then to lodge an appeal.**

**Question 24:How do I lodge an Appeal?**

- Details of this will be provided to you when you are advised of the outcome of your objection.
- Please note: Only owners which have objected to their Valuations will be allowed to go through the Appeal process.
- No late appeal applications will be accepted after the closing date.

**PLEASE NOTE: Sub – paragraph (2) (a) of the Rates Property Act, 6 of 2004 explains mass valuations as follows: “Physical inspection of the property to be valued **is optional**; and (b) comparative analytical and other systems and techniques may be used, including aerial photography and computer- assisted mass appraisal systems or techniques, taking into account changes in technology and valuation systems and techniques.”**

To explain in short: **NOT all** properties in die Kouga area will have a physical inspection to determine the valuation. Such other methods as explained in the Act will be used for these purposes.

## **GENERAL**

### **ORDERS AS TO COSTS:**

- The general valuation of properties is very costly and when an Appeal Board gives its decision, it may issue an order with regards to costs they regard as just and equitable. **When making an order, the board may also order any person whose appeal or opposition to an appeal is considered to have been made in bad faith or frivolously, to compensate the Municipality in full or in part for cost incurred in connection with the appeal. See Rates Property Act chapter 4 Section 42.2.**

### **ASSISTANCE TO PEOPLE WHO CANNOT READ OR WRITE:**

- The Municipal Manager must assist an objector to lodge an objection if that person cannot read or write, and any person seeking such assistance is invited to contact the Municipal Help Desk beforehand. Contact person : Sindy Zondani, Tel 042 2002128

### **COPYRIGHT OF VALUATION ROLLS AND OTHER DATA:**

- **THE COPYRIGHT OF ALL DOCUMENTS PERTAINING TO THE VALUATION ROLLS VEST IN THE MUNICIPALITY.**

#### **Please note:**

- All correspondence in connection with the Valuation Process **has to be directed to the correct Valuation officer** to ensure a quick reply on your query.
- The Public are hereby requested to adhere to the Rates Property Act 6 of 2004 as guideline for Questions & Answers of the Valuation Process. The Act is also available on the Municipal web page.

We look forward to be of assistance to you and thank you for your co- operation.

Yours faithfully

**MR S FADI**

Municipal Manager