



CITY OF JOHANNESBURG

**PUBLIC CONSULTATION PHASE TWO DRAFT RATES POLICY AND
PROPOSED RATES TARIFFS 2020/2021**

- 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

Matters under consideration for Rates Policy 2020/2021

- Correction of some of the definition in line with Property Rates Act as amended
- Changing the flow and the number of the Rates Policy as per the form from COGTA National
- Aligning the Rates Policy with the decision of Valuation Appeal Board decisions
- Aligning the Rates Policy with other City Policies
- Rewording the sections of the Rates Policy to read correctly.
- Long term leases
- Split Values
- Multi Purpose

Proposed Tariff increases 2020/2021

- Tariff increases by CPI 4.2%
- Pensioner rebate income increased by CPI 4.2%
- Business ratio reduced to 1:2.5
- Threshold rebate for residential properties maintained at R350 000
- Public service infrastructure n longer going to charged as per Section 93(A) MPRA
- All other rebates remain unchanged

Draft Rates Policy inputs received thus far

- Rates Policy should be aligned to Section 8 of the amended MPRA
- Definitions of categories should be aligned to the amended MPRA
- Threshold for pensioners should be increased to R3.5 million in value
- ESP non pensioners threshold should be increased to R700 000

Proposed tariff increases

- Due to Covid 19 more people have lost their jobs City must provide relief
- CoJ have increased their revenue due to inflated values during the implementation of the GV2018 therefore tariffs should not be increased
- Tariffs should not be increased because of the non growth of the economy
- The Country is under junk status why should tariffs increase
- Many house holds are struggling therefore rates tariff increase would not make sense

- Declaration of Disaster due to Covid 19
- Closure of companies and laying off of staff within the City's boundaries and other areas
- 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
- Basket of household goods have increased
- Reduction in disposable income
- More property owners depending on social grants
- Business requesting more relief than before

	Category	2020/2021 Ratio	2020/2021 Rate in a Rand	2020/2021 % Increase
1	Agricultural Business	1:2.5	0.020186	4.2%
2	Agricultural Other	1:1	0.008074	4.2%
3	Agricultural Residential	1:1	0.008074	4.2%
4	Business & Commercial	1:2.5	0.020186	4.2%
5	Consent Use	1:2	0.016149	4.2%
6	Education	1:0.25	0.002019	4.2%
7	Farming	1:0.25	0.002019	4.2%
8	Mining	1:2.5	0.020186	4.2%
9	Multiple Purpose Business	1:2.5	0.020186	4.2%
10	Multiple Purpose Residential	1:1	0.008074	4.2%
11	Municipal	0	0	0%
12	Private Open Space	1:0.25	0.002019	4.2%
13	Public Benefit Organisations	1:0.25	0.002019	4.2%
14	Public Open Space	1:0.25	0.002019	4.2%
15	Public Service Infrastructure	0	0	0%

	Category	2020/2021 Ratio	2020/2021 Rate in a Rand	2020/2021 % Increase
16	PSI Private	1:0.25	0.002019	4.2%
17	R.E. of Township	1:2.5	0.020186	4.2%
18	Religious	0	0	0%
19	Residential	1:1	0.008074	4.2%
20	Sectional Title Business	1:2.5	0.020186	4.2%
21	Sectional Title Other	1:1	0.008074	4.2%
22	Sectional Title Residential	1:1	0.008074	4.2%
23	State	1:1.5	0.012112	4.2%
24	Vacant Land	1:4	0.032298	4.2%



	Penalty Tariff	2020/2021 Ratio	2020/2021 Rate in a Rand	2020/2021 % Increase
	Un-authorized use	1:6	0.048444	4.2%

Email your comments to: ratescomments@joburg.org.za

Questions and Discussion

Thank you

