

PROPERTY RATES: Judgements and Risks

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Judgements (1)

- **SAPOA vs Johannesburg City (Case 648/2011) SCA**
 - Changing a rate between tabling and approving budget.
 - No Public Participation on higher rates tariffs.
 - Valuation Roll objections not quantified for subsequent budget.
 - Minority Judgement - confusion re rate ratio for non-residential properties.
- **Kalil vs Mangaung Municipality (Case 210/2014) SCA**
 - MPRA & Rate Ratio Regulations not limiting non-residential properties to a ratio.
- **Beaufort-Wes Landelike Belastingbetalersvereniging vs Beaufort-West Munisipality (Case 20650/11) Western Cape High Court)**
 - The implementation of a new General Valuation Roll could increase the rates payable if the new values are reasonable.
 - The rates resolutions levying rates were not published in the Provincial gazette.

Judgements (2)

- **Johannesburg Municipality vs Chairman of Valuation Appeal Board (case 282/2013) SCA**
 - JHB rates on permitted use.
 - Multiple purposes, tared on the highest use per Rates Policy.
 - Court ruled against rating on highest use for multiple purposes.
- **Blair Atholl Homeowners Association vs Tshwane Municipality (Case 20634/2014) SCA**
 - Private residential complex provide & maintain own inside municipal services.
 - Located 50kms from Pretoria, outside the City's priory area for new townships.
 - Developer had to install all engineering services which City normally provides.
 - Maintenance of engineering services carried by the homeowners association.
 - Agreement stated that normal property rates would be applicable.
 - Demanded a separate category in the Draft Rates Policy, City rejected this demand.
 - Property rates is a tax and not linked to the provision of services.

RISKS

- **Religious organisations being used as fronts for criminals**
 - Rates become impermissible
 - Reducing rates base
 - Other ratepayers are subsidising them
- **Government is wanting to regulate religious organisations**
 - Church leaders are opposed to this, a huge mistake
- **Proposed Wealth Tax on Property**
 - Different dates of valuation over all municipalities, but uniform rate.
 - Valuation objections resolutions could be backdated.
 - Which authority starts collection process and negotiates payment arrangements.
 - Which tax takes preference, National or Municipal re collections.
 - With a liquidation sequestration, which tax is satisfied first.
 - A huge risk to municipal financial viability if not handled correctly.
 - Could contract municipalities to collect this new tax similar to old Divisional Council Tax.

Questions and suggestions



- **THANK YOU**

- **God Bless**