



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

GV/SV VALUATIONS AND LEGISLATED DISPUTES

Making progress possible. **Together.**

Introduction

City of Cape Town context:

- Approximately 900 000 registered properties;
- All valuation processes done internally by approximately 30 registered valuers under control of permanently appointed MV;
- Valuation processes supported by approximately 120 staff, responsible for among other: data collection, GIS, CAMA, systems and data governance, rates policy and modelling, quality assurance, project management and customer care;
- All valuation related processes captured and processed via Government Revenue Management System (GRM) system.

General Valuation (GV) and Supplementary Valuation (SV) Rolls

- Local Government: Municipal Property Rates Act, 6 of 2004 (as amended) (MPRA / Act)

GV Roll:

- Must be produced at least once every 4 years
- The City works on three year GV cycles – currently in GV2018 cycle effective 1 July 2019;

SV Roll:

- SVs performed in terms of Section 78 of the MPRA
- 2014 Amendments to the MPRA allowed for multiple valuations in an SV Roll

General Valuation (GV) and Supplementary Valuation (SV) Rolls (cont)

SV Roll:

- Amended legislation allows for multiple valuations per property in the same SV Roll
- Amended legislation allows for real-time valuations
- Owners notified of real-time valuation as soon as it is completed.
- Owners afforded an opportunity to submit a review – Section 78(5)
- Certified SV Roll at least annually - of Section 78(6) and Section 49
- Publication of the SV Roll - Section 49

Section 78(5) - REVIEW

Why (MPRA Requirements)	What	When	How (Process)	Challenges
<p>Section 78(5)</p>	<p>Reviews</p> <ul style="list-style-type: none"> In place for SVs only Does not apply to GVs 	<p>Real Time SV (daily)</p> <ul style="list-style-type: none"> Must be preceded by a real time valuation Happens before certification of the roll via <ul style="list-style-type: none"> Monthly extracts of property changes - in batches Owner queries Done via interface between Valuations and Billing system 	<p>Electronic Submissions</p> <ul style="list-style-type: none"> Forms available on-line and upon request via email Submission via email Legislated 30-day period in which to submit <p>Benefits</p> <ul style="list-style-type: none"> The valuation roll reflects the current status of properties in the municipality Up to date data is in place on every property Sustainable income Fairness and equity 	<p>Customer Centricity</p> <ul style="list-style-type: none"> Complicated processes for residents to understand Occasional missed valuations will result in backdating Missed notifications / post office delays, result in missed dispute periods Constant influx of customer queries that require investigation and responses To optimise technology in the online completion and submission of owner specific review forms via e-services.

Section 50 (OBJECTION)

Why (MPRA Requirements)	What	When	How (Process)	Challenges
Section 50	<p>Objections</p> <ul style="list-style-type: none"> Applicable to both GVs and SVs 	<p>After Certification of the Valuation Roll</p> <ul style="list-style-type: none"> Must be preceded by the publication of the roll 	<p>GVs</p> <ul style="list-style-type: none"> GV Roll produced every 3 years for CoCT Customer centric approach to the objection process, ie to view the GV roll and to submit objections: <ul style="list-style-type: none"> Allowed for submissions in-person at venues, via email as well as online; Venues open for legislated 30-day period; allowed for additional 42 days to submit objections electronically via email or online; Four primary venues open for the full 30-day period, complemented by additional 28 venues open at shorter periods during the same period; All aspects of the objection process done in-house (no outsourcing or consultants) Additional temporary staff employed to assist at the objection venues. The website was used as cornerstone for communication and information. Integrated communication strategy involving the Media Office, Mayco Member for Finance, MV as technical spokesperson, corporate call centre and website team. <p>SVs</p> <ul style="list-style-type: none"> SV Roll produced at least once a year Limited venues are made available for the submission of hand delivered forms Forms available on-line and upon request via email Allow for on-line and email submission of the objection form Legislated 30-day period in which to submit <p>Benefits</p> <ul style="list-style-type: none"> Ensures the values on the City's valuation roll is current Provides a basis for the calculation of municipal property rates in a fair and equitable manner 	<p>Customer Centricity</p> <ul style="list-style-type: none"> Missed notifications / post office delays, result in missed dispute periods <p>Data Issues</p> <ul style="list-style-type: none"> Postal addresses for posting legislated notices are not available in all cases <p>Use of Temporary Staff</p> <ul style="list-style-type: none"> Loss of skills when temporary staff leave after having served at the objection venue for 3+ months – retraining of new staff for the next process. <p>Lack of suitable venues</p> <ul style="list-style-type: none"> Sourcing suitable City owned venues that appropriately represents the City <p>Logistical arrangements and costs</p> <ul style="list-style-type: none"> Ensuring effective and efficient logistical arrangements for the GV objection venues Cost factor, ie about 80 temporary staff over three months, equipment, transport, branding etc. <p>Network connectivity</p> <ul style="list-style-type: none"> Off-site venues used had limited and sometimes no connectivity to allow for real time capture of objections received at the GV objection venues

Section 54 (APPEALS)

Why (MPRA Requirements)	What	When	How (Process)	Challenges
Section 54	<p>Appeals</p> <ul style="list-style-type: none"> Applicable to both GVs and SVs 	<p>After the resolution of an objection</p> <ul style="list-style-type: none"> Must be preceded by an objection decision notice to the objector / owner 	<p>Valuation Appeal Board (VAB)</p> <ul style="list-style-type: none"> 2 x VAB appointed by the MEC for Local Government Face to face hearings with appellants and CoCT valuer in attendance Remote appeal hearings planned commenced from 10 Sep 2020 Compiled a Remuneration Framework based on available legislation and directives for audit purposes <p>Benefits</p> <ul style="list-style-type: none"> Appellants are assured of a decision from a board which is unaffiliated with the municipality Appellants have the opportunity to make representations to the board in person Appellants have the opportunity to request for the reasons for the decision free of charge if required 	<p>Remote Hearings</p> <ul style="list-style-type: none"> Less properties can be scheduled for a remote hearing as opposed an in-person hearing Uncertainty about when in-person hearings will commence Connection issues Appellants increasingly submitting additional evidence after the VAB meeting has concluded <p>Customer Centricity</p> <ul style="list-style-type: none"> Anxious property owners who are eager to resolve appeals following the National Lockdown result in an influx of customer queries <p>VAB SOP</p> <ul style="list-style-type: none"> No guidance provided from National Government regarding the VAB Standard Operating Procedures results in inconsistencies in the execution of hearings (S67 – the VAB decides on its own procedures)

Section 52 (>10% REVIEW)

Why (MPRA Requirements)	What	When	How (Process)	Challenges
Section 52	<p>>10% Reviews</p> <ul style="list-style-type: none"> Applicable to both GV's and SV's 	<p>When an objection decision is greater than 10% (up or down) from the value on the GV/SV Roll</p> <ul style="list-style-type: none"> Must be preceded by an objection decision 	<p>Process for Issuing to VAB</p> <ul style="list-style-type: none"> VAB meeting convened for sign off after perusal of S52 reviews from home No formal appeal from owner/objector, therefore no face to face meeting required Outliers may require for face to face hearing as determined by VAB <p>Benefits</p> <ul style="list-style-type: none"> Ensures openness in transparency Oversight over objection decisions taken by the municipality 	<p>Legislative Clarity</p> <ul style="list-style-type: none"> No clarity in legislation whether S52 and S54 hearing is required if both are applicable to the property. VAB have made their own ruling in this regard. Objectors/owners have questioned this ruling in light of the ambiguity in the legislation

Why (MPRA Requirements)	What	When	How (Process)	Challenges
Revaluation Register	Not a legislated dispute	The resident missed the legislated objection period, but still queries the current valuation <ul style="list-style-type: none"> No legislated objection on record for the value being queried Owner consents to paying a fee if required 	Monitoring of requests received <ul style="list-style-type: none"> Approved tariffs in place to perform revaluations at a cost with the written consent of the property owner. The tariff can be waived by the MV should the valuation be incorrect and not market related at the date of valuation. Benefits <ul style="list-style-type: none"> Affords the owner an opportunity to query a perceived incorrect valuation outside of the legislated dispute timelines Highlights to the MV possible incorrect valuation that required revaluation 	Administration <ul style="list-style-type: none"> Labour and administrative intensive process. Customer Centricity <ul style="list-style-type: none"> Due to prioritisation of objections and appeals received as part of formal processes, the “late” objections received on the revaluation register are only be dealt with once the former disputes have been dealt with. Perception by property owners who missed the official objection process to be assisted immediately.

For further information:

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THANK YOU FOR THE OPPORTUNITY TO PRESENT TO YOU
