



**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA**

Private Bag X802, Pretoria, 0001 Tel: (27-12) 334 0705, Fax: (27-12) 326 4478
Private Bag X9123, Cape Town, 8000 Tel: (27-21) 462-1441, Fax: (27-21) 461-0851

MEDIA STATEMENT: For immediate release

Municipal Property Rates Amendment Bill

Pretoria, 18 July 2011 - The draft Municipal Property Rates Bill was gazetted for comment on 9 June. We are keen to hear from the public on the Bill. The last date for comments is 22 July.

Deputy Minister Yunus Carrim says “We understand, especially in these difficult economic times, and with increases in the cost of municipal services, that house-owners are anxious about property rates. But contrary to media reports on the draft Bill, people who own more than one residential property will not have to pay commercial rates on their additional residential properties. The intention is to ensure that guest-houses, bed-and-breakfast establishments, small hotels and the like pay commercial rates. If necessary, we will amend the draft to make this clearer before submitting the Bill to parliament.”

The draft Bill is in response to complaints from the public and some municipalities over the years about the lack of clarity of aspects of the original Act and difficulties in implementing it. There was widespread consultation on the draft that has been gazetted. Public hearings were held in April last year in all the provinces, and were attended by stakeholders such as ratepayers’ organisations, agricultural unions, business chambers, state owned enterprises, community organisations, traditional leaders, municipalities, and individual ratepayers.

“Essentially, the Municipal Property Rates Act is being amended to make property rating simpler, more transparent, more uniform and easier to implement,” says Deputy Minister Carrim

The only policy shifts in the Bill are:

- Properties used for trading in and hunting of game will be regarded as agricultural property and subject to rates in the interests of equity and fairness.
- There needs to be greater uniformity across municipalities in rating houses owned by recipients of old-age pensions and disability grants
- Aspects of public service infrastructure will be excluded from property rates because of their contribution to the country’s developmental needs.

Issued by: Ministry for Cooperative Governance and Traditional Affairs

For more information, please contact:

Vuyelwa Qinga -Vika (Ms)

Ministerial Media Liaison

Cell: 082 877 3898