



# **CEDERBERG MUNICIPALITY**

## **DRAFT SPECIAL RATING AREA BY-LAW**

CEDERBERG MUNICIPALITY  
SPECIAL RATING AREA BY-LAW

To provide for the establishment of special rating areas; to provide for additional rates; and to provide for matters incidental thereto.

BE IT ENACTED by Cederberg Municipality as follows:-

**CHAPTER 1**

**ESTABLISHMENT OF SPECIAL RATING AREAS**

**1. DEFINITIONS**

In this By-law words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates –

“**additional rate**” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act in section 12(2) of this By-Law;

“**applicant**” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1, or if a management body is established in terms of section 10 any reference to “**the Applicant**” means the management body;

“**CFO**” means the Chief Financial Officer of Cederberg Municipality, or his or her nominee.

“**Council**” means Council of Cederberg Municipality;

“**implementation plan**” means an Implementation Plan as contemplated in section 6;

“**limited special rating area**” means a limited special rating area approved by the Council in terms of section 9;

“**majority**” means the majority of property owners as contemplated in section 22 of the Property Rates Act;

“**management body**” means the management body of a special rating area to be establishment in accordance with the provision of section 10;

(b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 is held, or if a second public meeting is held as provided for in section 6(2), nine months after the date of the second public meeting;

(c) be accompanied by –

- (i) a motivation report and an implementation plan;
- (ii) the written consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate, in a form determined by the CFO;
- (iii) payment of such fee as the Council may determine.

## 5. PUBLIC MEETINGS

(1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.

(2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area with regard to the proposed boundaries of the area and the proposed improvement or upgrading of the area.

(3) Prior to the holding of the public meeting, the applicant must –

(a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area

(b) in the notice referred to in subsection (3)a), give notice of a public meeting, which notice must –

- (i) state the purpose of such meeting; and
- (ii) contain details of the place, date and time when such meeting is to be held.

(4) The public meeting must be held not less than seven days and not more than 30 days after the date of the notice.

## 7. ADVERTISING OF APPLICATION AND OBJECTIONS

- (1) The applicant must within 14 days after the application is lodged in accordance with section 4, or within such further period which the CFO may approve –
  - (a) Cause a notice of the application to be published in a local newspaper or any other manner as approved by the CFO; and
  - (b) Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate, such notice to be given by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO.
- (2) Every notice contemplated in terms of subsection (1) must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Council by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1) (a), and must state where the documentation specified in subsection (5) will be available for inspection.
- (3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be received by the Council not later than the date stipulated in the notice referred to in subsection (1).
- (4) An application and any objector to the application who owns property within the proposed special rating area may make oral representation to Council.
- (5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Cederberg Municipality and at a venue determined by the applicant [in consultation with the CFO] within the proposed special rating area, for the period referred to in subsection (2).

- (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) if they were to be applied to that area; and
- (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area,

then the Council may, subject to the other requirements of this By-Law, determine a limited special rating area.

## **CHAPTER 2**

### **SPECIAL RATING AREAS – STRUCTURES AND FINANCES**

#### **10. COMMENCEMENT OF THE IMPLEMENTATION PLAN**

Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11.

#### **11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY**

- (1) The applicant must cause to be established a management body for the purposes of implementing the provisions of the implementation plan.
- (2) The management body must be a company incorporated in accordance with the provisions of section 21 of the Companies Act, 1973 (Act No. 61 of 1973).
- (3) Cederberg Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law, any guidelines or policies adopted by Cederberg Municipality and any agreements entered into with the management body and Cederberg Municipality.

Collection Policy, exempt the indigent, senior citizens, disabled persons or any other category or residents.

- (3) When determining the additional rate referred to in subsection (2), the Council may give consideration to imposing differential additional rates on one or more of the categories set out in section 8 of the Property Rates Act.
- (4) The additional rate due in terms of this By-Law is a debt due to the Council and is payable and must be collected in the same manner as other property rates imposed by the Council.
- (5) The Council may, for the purpose of carrying out the provisions of the implementation plan of special rating area and subject to section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 200), make payment to the management body of a special rating area.
- (6) The payment contemplated in subsection (5) is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things –
  - (a) the mechanisms and manner of payment; and
  - (b) terms on which payment to the relevant management body is to be made.
- (7) Subject to the provisions of its memorandum and articles of association, the management body is entitled to raise its own funds through commercial activities, donations or any other lawful means.
- (8) The Council, may for the purposes of this By-law, determine and impose on the management body an administrative charge.

### **13. THE ROLE OF THE CFO**

In addition to the other responsibilities and obligations of the CFO as set out elsewhere in this By-Law, the CFO must –

- (b) affect the approved budget for the special rating area; and
  - (c) change the boundaries of the special rating area.
- (4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 or any other precept.

#### **15. EXTENTION OF IMPLEMENTATION PLANS**

A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Cederberg Municipality for approval of extension of the term of the implementation plan, provided that –

- (a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions;
- (b) the provisions of section 14 shall apply to any amendment of an implementation plan which has been extended in terms of this section.