



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

**LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO.6 OF 2004
CIRCULAR NO. 05 (ISSUED ON 29 MARCH 2011)**

TO ALL:

MUNICIPAL MANAGERS

MUNICIPAL CHIEF FINANCIAL OFFICERS

**CIRCULAR ON THE IMPLICATIONS OF THE REDETERMINATION OF MUNICIPAL
BOUNDARIES ON EXISTING VALUATION ROLLS AND SUPPLEMENTARY
VALUATION ROLLS OF AFFECTED MUNICIPALITIES**

The purpose of this Circular is to assist municipalities affected by the Municipal Demarcation Board's (MDB) redetermination of municipal boundaries process to address issues related to existing valuation rolls and supplementary valuation rolls prepared in terms of the Local Government: Municipal Property Rates Act ("the Act").

In terms of the Independent Electoral Commission's Notice (1022 of 2008) issued in terms of Section 6 of the Local Government: Municipal Structures Act, 1998 read with Section 21 of the Local Government: Municipal Demarcation Act, 1998 the boundaries of a number of municipalities were re-determined to include district management areas (DMAs) into local municipalities thereby disestablishing DMAs. In addition, a series of gazettes issued by the MDB re-determined the municipal boundaries of a number of

municipalities, disestablished certain municipalities as well as incorporated certain parts of certain municipalities into other municipal areas.

As a result of these municipal boundary redeterminations which take effect on the date of the 2011 local government elections, it is necessary that transitional arrangements be put in place to ensure that local government continues to function effectively and efficiently despite the structural and organisational changes that will result from the redetermination of municipal boundaries. To that end the Members of Executive Councils (MECs) responsible for local government would be required to promulgate Notices in terms of the Municipal Structures Act that would give effect to the redetermination of municipal boundaries.

The advisory contained in this Circular pertains to how those municipalities that will receive additional areas into their existing municipal areas (receiving municipalities) as a result of the redetermination of municipal boundaries or as a result of the disestablishment of certain municipalities and the subsequent creation of a new municipality that comprises disestablished municipalities ought to deal with existing valuation rolls and supplementary valuation rolls prepared in terms of the Act. It is important to bear in mind that the advisories contained herein are ***premised upon the supposition that the necessary Municipal Structures Act establishment/disestablishment and related notices have been promulgated*** by the MEC responsible for local government in the relevant province and ***that such notices provide for transitional arrangements*** in respect of matters related to valuation and supplementary valuation rolls as well as other statutory matters related to property rating in the affected municipalities. In respect of municipalities that will be receiving DMAs as a result of the disestablishment of those DMAs, the advisory is that the properties contained in the valuation rolls and supplementary valuation rolls of the disestablished DMAs should be incorporated into the receiving municipality's valuation roll through supplementary valuations in terms of section 78(1) of the Act. Municipalities are advised to work together with the relevant officials in the provincial departments

responsible for local government and municipal valuers in order to implement the relevant advisories contained in this Circular.

The advisories contained in this Circular recognise that affected municipalities' specific circumstances ultimately result in each municipality being affected differently and uniquely. Therefore, in implementing the advisories, each municipality is advised to take due cognizance of its specific circumstances and implement these advisories according to its own set of circumstances. It is understood that affected municipalities' valuation rolls may be at different stages of implementation, i.e. that the implementation dates of the said valuation rolls may not be the same for affected municipalities. Where this is the case, different and more complex permutations in terms dealing with the valuation rolls of incoming areas and those of receiving municipalities may apply. Various options are available to municipalities to deal with such specific circumstances, which are not specifically addressed in this Circular. The Department of Cooperative Governance is available to engage with municipalities through the provincial departments responsible for local government to deal with the practical implementation of such specific permutations.

The table below outlines the redetermination of municipal boundaries other than the incorporation of DMAs into local municipalities.

Table 1: Advisories in respect of addressing valuation and rating issues in municipalities that are affected by the redetermination of municipal boundaries

PROVINCE	REDETERMINED/DISESTABLISHED MUNICIPALITIES (DATES INDICATED FOR THE IMPLEMENTATION OF THE NEXT VALUATION ROLL ARE PREMISED ON THE UNDERSTANDING THAT THE PERIODS OF VALIDITY OF THE VALUATION ROLLS OF THE SAID MUNICIPALITIES HAVE NOT BEEN EXTENDED)	RECEIVING MUNICIPALITIES	RECOMMENDATIONS ON THE VALUATION ROLL
North West	Kagisano Local Municipality and Molopo Local Municipality to be merged to form a new municipality The next valuation roll is scheduled for implementation on 1 July 2013 in the case of both municipalities.	Not applicable	The valuation rolls and supplementary valuation rolls of each municipality should coexist until superseded by a new valuation roll for the newly established municipality.
Free State	Motheo District Municipality disestablished	Xhariep District Municipality (receiving Naledi Local municipality) and Thabo Mofutsanyane District Municipality (receiving Mantsopa Local Municipality)	None
	In Letsemeng Local Municipality a portion of PK Le Roux Dam and surrounding farms to be incorporated into Kopanong Local Municipality . The next valuation roll for Kopanong Local Municipality is scheduled for implementation on 1 July 2013.	Kopanong Local Municipality	The incorporation of incoming farms and the dam ought to be done through a supplementary valuation in terms of section 78(1) of the Act.
Eastern Cape	In Intsika Yethu Local Municipality portions thereof to be incorporated into Mbhashe and Engcobo Local Municipalities . The next valuation roll for Intsika Yethu Local Municipality is	Mbhashe Local Municipality and Engcobo Local Municipality	If a significant number of properties are affected, the valuation rolls and supplementary valuation rolls of each municipality should coexist until

<p>superseded by a new valuation roll.</p> <p>If the property numbers are insignificant the properties should be incorporated through supplementary valuations in terms of section 78(1) of the Act.</p>		<p>scheduled for implementation on 2013 as are those for the two receiving local municipalities.</p>	
<p>If a significant number of properties are affected, the valuation rolls and supplementary valuation rolls of each municipality should coexist until superseded by a new valuation roll.</p> <p>If the property numbers are insignificant the properties should be incorporated through supplementary valuations in terms of section 78(1) of the Act.</p>	<p>Umzimvubu Local Municipality</p>	<p>In Ntabankulu Local Municipality certain villages to be incorporated into Umzimvubu Local Municipality.</p> <p>The next valuation roll is scheduled for implementation on 1 July 2013 in the case of both municipalities.</p>	
<p>The valuation rolls and supplementary valuation rolls of each municipality should coexist until superseded by a new valuation roll.</p> <p>In relation to the incorporation of farms into Ekurhuleni Metropolitan Municipality, these may be incorporated through supplementary valuations in terms of section 78(1) of the Act.</p>	<p>Tshwane Metropolitan Municipality and Ekurhuleni Metropolitan Municipality</p>	<p>Kungwini Local Municipality and Nokeng Tsa Taemane Local Municipality incorporated into Tshwane Metropolitan Municipality.</p> <p>Some farms in the Metsweding District Municipality to be incorporated into Ekurhuleni Metropolitan Municipality</p> <p>The next valuation roll for Tshwane Metropolitan Municipality is scheduled for implementation on 1 July 2012 while that for Ekurhuleni Metropolitan Municipality is scheduled for implementation on 1 July 2013. For the Kungwini Local Municipality and Nokeng Tsa Taemane Local Municipality, the next valuation rolls were scheduled for implementation on 1 July 2012. .</p>	

<p>Gauteng</p>	<p>A portion of Randfontein Local Municipality to be incorporated into Westonaria Local Municipality.</p> <p>The next valuation roll is scheduled for implementation on 1 July 2013 in the case of both municipalities.</p>	<p>Westonaria Local Municipality</p>	<p>If a significant number of properties are affected, the valuation rolls and supplementary valuation rolls of each municipality should coexist until superseded by a new valuation roll.</p> <p>If the property numbers are insignificant the properties should be incorporated through supplementary valuations in terms of section 78(1) of the Act.</p>
<p>Limpopo</p>	<p>In Aganang Local Municipality certain farms are incorporated into Blouberg Local Municipality.</p> <p>The next valuation roll for Blouberg Local Municipality is scheduled for implementation on 1 July 2013.</p>	<p>Blouberg Local Municipality</p>	<p>The incorporation of incoming farms ought to be done through a supplementary valuation in terms of section 78(1) of the Act.</p>
<p>KwaZulu Natal</p>	<p>12 wards in Hlabisa Local Municipality incorporated into Mtubatuba Local Municipality.</p> <p>The next valuation roll for is scheduled for implementation on 1 July 2013 in the case of both municipalities.</p>	<p>Mtubatuba Local Municipality</p>	<p>If a significant number of properties are affected, the valuation rolls and supplementary valuation rolls of each municipality should coexist until superseded by a new valuation roll.</p> <p>If the property numbers are insignificant the properties should be incorporated through supplementary valuations in terms of section 78(1) of the Act.</p>
	<p>1 ward in Ndwendwe Local Municipality incorporated into KwaDukuza Local Municipality.</p> <p>The next valuation roll for KwaDukuza Local Municipality</p>	<p>KwaDukuza Local Municipality</p>	<p>The incorporation of the incoming ward ought to be done through a supplementary valuation in terms of</p>

scheduled for implementation on 1 July 2011.

section 78(1) of the Act.

All district management areas are to be disestablished on the date of the 2011 local government elections, resulting in the various district management areas being incorporated into various local municipalities as listed in the Commission's Notice (1022 of 2008). Receiving municipalities are encouraged to work with the provincial departments responsible for local government and their municipal valuers in consultation with the MDB in order to ascertain the exact new municipal boundaries to ensure that the correct properties are incorporated into the receiving municipalities' municipal areas and valuation rolls. In terms of the incorporation of district management areas into various local municipalities it is recommended that these properties be incorporated into these municipalities' valuation rolls through supplementary valuations as provided for in section 78(1) of the Act because the extent of properties (not significant in terms of numbers) involved would warrant such action.

CONTACT PERSON

Should municipalities require any further information on any matter dealt with in this Circular, request for such information should be directed to the Department of Cooperative Governance for the attention of:

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