

NEW MUNICIPAL RATES ACT.

Owners will by now know that Kwa Dukuza Municipality (KDM) will be implementing the new Municipal Rates Act (MRA) with effect from 1/7/2007.

Under this Act sectional Title owners will no longer have their rates included in the levy but will be billed directly by KDM for both rates and refuse.

Properties are valued at market value which is higher than the previous "municipal value" that was significantly below market value.

The MRA specifically states that the Body Corporate may not collect the rates and it also says that the valuator does not have to physically inspect the property. I can however confirm that Siyzama, the company appointed by KDM to attend to the valuations of property in its area, has carried out visual inspections of the properties. Unfortunately, there are however a number of errors in the role. Some units have been left off the role, some units are registered to the wrong owners, some valuations are obviously incorrect,

Owners have until the 2nd April to lodge an objection to their valuation.

Obviously this is the first step in the process of raising rates. The second step is when KDM decide on the rate randage. Although no one can object to this rate randage it will obviously determine the amount of rates to be paid. Indications have been changing as often as a number of people discuss what it might be however the latest indication is that it will be 1% of value and that properties zoned "residential" will be given a 60% rebate.

Owners must remember that properties in KDM have only paid rates on land values in the past and have then enjoyed a 30% rebate if the land was developed so owners are coming off a very low rate base. Under the circumstances there is bound to be a significant increase in the rate paid under the new MRA than was paid in the past. Owners should however be aware that Council are limited by Province in the increase they can approve.

Owners whose properties have been damaged in the recent storm devastation can lodge an objection as their properties are obviously no longer valued at what they were prior to the storm. Objections should therefore be lodged by the owner in this regard.

