

Still no comment from City of Joburg on General Valuation Process, says SAPOA

In a statement issued this morning, SAPOA voiced its concern over the lack of feedback from the City of Johannesburg on the latest General Valuation (GV) Process.



© rawpixel – [123RF.com](https://www.123RF.com)

In a statement issued this morning, SAPOA voiced its concern over the lack of feedback from the City of Johannesburg on the latest General Valuation (GV) Process. SAPOA said that in its correspondence to the City Manager, it highlighted the legal position on three key factors affecting the valuation roll:

- Ratepayers are not liable to pay disputed rates pending the outcome of objections or appeals.
- The City is not entitled to cut off services such as electricity if ratepayers fail to pay that portion of their rates which they are disputing, nor may it threaten to do so.
- The City is not entitled to claim interest on any shortfall on rates payable by ratepayers on finalisation of objections or appeals.

On the question of ratepayers not being liable to pay disputed rates, the City refers on its website to Section 50(6) of the Local Government: Municipal Property Rates Act 6 Of 2004 ("MPRA") and concludes as follows: "Therefore the account must still be paid until the objection process has been finalised." The City in fact insists that the full number of rates billed must be paid, including any disputed amount. SAPOA has pointed out that this interpretation is incorrect. In addition, it is significant to note that the City of Cape Town reached a different conclusion. In a circular released as part of its GV 2015, it posed the following frequently asked question: "Do I still need to pay the new rates if I disagree with the value and my objection is still unresolved?" It then supplied the following answer: "You will need to pay rates until the objection is resolved. The rates need not be based on the new valuation but must at least resemble the amount you are currently paying..."

On the question of the City being entitled to cut off services such as electricity if ratepayers fail to pay disputed rates, Section 102(2) of the Systems Act clearly states that municipalities are prohibited from terminating municipal services in relation to amounts under dispute.

On the question of the City being entitled to claim interest on any shortfall on rates payable by ratepayers on finalisation of objections or appeals, the City misquotes the relevant provision of the MPRA, namely section 55(2). That section, in fact, provides in 55(2)(b)(i) that where there is a shortfall payable by the ratepayer, the municipality “must” recover the shortfall from the ratepayer “without adding interest” thereon. It is only when the municipality is required to refund surplus rates paid by the ratepayer that interest must be added.

It is SAPOA’s understanding that, in previous valuation exercises, the City did not follow the correct practices and the indications are that the City does not intend to do so with the current valuation process. SAPOA has asked the City to provide it with an assurance that it will ensure its practices pertaining to the 2018 GV will in fact align with the legal requirements set out above. To date there has been no feedback from the City of Joburg.

Should the City transgress the MPRA, SAPOA intends approaching the courts.

Johannesburg property owners have until today (Friday, 6 April) at 3pm to object their property valuations and can supply comments on until 22 April 2018. The new values and tariffs will be introduced from 1 July 2018.

For more, visit: <https://www.bizcommunity.com>