

Understanding the General Valuation Roll and how to object

Introduction:

As many of you will have noted, the Makana Municipality has published notices calling for the inspection of the General Valuation Roll (hereinafter referred to as “**the GVR**”). This article seeks to explain the purpose of the GVR and how to go about lodging objections.

What is the General Valuation Roll?

Property rates are an amount that the municipality charges property owners each month for services (supposedly) provided for or on behalf of the municipality. These rates are charged in accordance with the valuation and categorisation (i.e business/residential etc.) of your property. Municipalities are empowered to charge these amounts in terms of section 229(1)(a) of the Constitution. These rates are an important source of revenue collected by the municipality for the purpose of financing operational expenses.

The GVR is effectively a register of properties and their values. These values are supposed to reflect the market value of properties and the market conditions in which the property is situated. Thus, properties in well-established and sought-after neighbourhoods will be valued higher than those in less affluent or sought-after areas, because of factors such as location, service provision and crime rates.

It is clearly important to inspect the information pertaining to your property and to object to the valuation if necessary. Failure to do so could result in property owners being charged unfairly high (or low) rates. In terms of the Makana Rates Policy, the Makana GVR is renewed every 4 years, which means that property owners could pay incorrect rates and taxes on their properties for this duration.

Understandably, it sometimes happens that a GVR excludes a property. This may happen because a property came into existence after publication of the GVR, was incorrectly omitted, had a category change or was subdivided/consolidated after the publication of the roll. For this reason, a Supplementary Valuation Roll is prepared every 12 months or as required.

How to lodge an objection:

As mentioned above, the valuation of a property must reflect the property's market value and must accord with market conditions. However, it often does not. If a person is of the view that the valuation does not reflect the market value or that a property has been categorised incorrectly, such person may lodge an objection. In terms of section 50(2) of the Rates Act, an objection must be in relation to a specific individual property and cannot be lodged against the valuation roll as a whole.

Makhanda residents have until 1 April 2019 to lodge an objection to the value or categorisation of their property with the municipal manager. Within 14 days of the 1st of April, the municipal manager must submit the objections to the municipal valuer. The municipal valuer is then obliged to (promptly) consider all objections and if he makes adjustments upwards or downwards of *more* than 10%, must provide written reasons to the municipal manager. The municipal manager will then submit the municipal valuer's decisions, reasons and other documentation to the valuation appeal board for review for the purpose of confirming, amending or revoking the decision taken by the municipal valuer.

While section 50(5) of the Rates Act states that the municipal valuer must make the abovementioned decisions "promptly", no specific time limits are allocated in this regard. The municipal valuer must notify objectors and the owners of the properties concerned, in writing, of his/her decision regarding the objection, the adjustments made to the roll and whether there was a compulsory review of the municipal valuer's decision. Where the municipal valuer adjusts the valuation by *less* than 10% (either upwards or downwards), he only needs to provide written reasons for the outcome of the objection after an objector or owner has applied for same, in writing and after payment of a fee. The request for reasons for the municipal valuer's decision must be made within 30 days of receipt of notification of the outcome of the objection, to the municipal manager. The municipal valuer then has a further 30 days (from the date on which he receives the application from the municipal manager) in which to provide his/her reasons.

Available recourse to those unhappy with the result of an objection

An objector/property owner can appeal to the valuations appeal board, via the municipal manager. An appeal must be lodged within 30 days of the date on which notification of the outcome of the objection was sent to the objector/ property owner or within 21 days of the date on which the reasons for the decision regarding the objection were sent to the objector/ property owner. It is important to note here that the Act refers to the date on which notification of the outcome/reasons was/were *sent*, and not the date on which either of these were *received* by the objector or the property owner.

The chairperson of the valuation appeal board is required to convene a meeting within 60 days of receipt of an appeal from the municipal manager, in order to consider same.

If your appeal fails, you may need to consider approaching an attorney in order to make an application to court to review the decision taken by the valuation appeals board.

It is important to abide by the time limits outlined in the Municipal Property Rates Act 6 of 2004 (as amended) as objections will (in most circumstances) not be considered after the 1st of April 2019.

We trust this article has been of some use. For further information, please contact attorney@noltesmit.co.za.

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