



THE PROVINCE OF MPUMALANGA
DIE PROVINSIE MPUMALANGA

**Provincial Gazette Extraordinary
Buitengewone Provinsiale Koerant**

(Registered as a newspaper) • (As 'n nuusblad geregistreer)

Vol. 21

NELSPRUIT, 30 JUNE
JUNIE 2014

No. 2327

We all have the power to prevent AIDS

AIDS
affects
us all



A
new
struggle

Prevention is the cure

**AIDS
HELPLINE**

0800 012 322

DEPARTMENT OF HEALTH

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes



9771682451008

02327

IMPORTANT NOTICE

The Government Printing Works will not be held responsible for faxed documents not received due to errors on the fax machine or faxes received which are unclear or incomplete. Please be advised that an "OK" slip, received from a fax machine, will not be accepted as proof that documents were received by the GPW for printing. If documents are faxed to the GPW it will be the sender's responsibility to phone and confirm that the documents were received in good order.

Furthermore the Government Printing Works will also not be held responsible for cancellations and amendments which have not been done on original documents received from clients.

CONTENTS • INHOUD

<i>No.</i>		<i>Page No.</i>	<i>Gazette No.</i>
LOCAL AUTHORITY NOTICES			
133	Municipal Property Rates Act (6/2004): Mbombela Local Municipality: Charges for Property Rates 2014/15 Financial Year.....	3	2327
134	Local Government: Municipal System Act (32/2000): Mbombela Local Municipality: Mbombela Property Rates By-law	6	2327
135	do.: do.: do.: Tariff Policy and By-laws.....	29	2327
136	do.: do.: do.: Credit Control and Debt Collection By-laws	47	2327

LOCAL AUTHORITY NOTICES

LOCAL AUTHORITY NOTICE 133 MBOMBELA LOCAL MUNICIPALITY

CHARGES FOR PROPERTY RATES 2014/15 FINANCIAL YEAR

Mbombela Local Municipality hereby gives notice in terms of Section 14 (1) of the Municipal Property Rates Act 6 of 2004, that the following rates applicable to all the rateable property in the municipal area of Mbombela Local Municipality appearing in the valuation rolls, have been determined and accepted with a unanimous decision Council under Item A(2) a Special Council meeting held on 05 June 2014.

1. DEFINITIONS

“Act” means the Municipal Property Rates Act, 06 of 2004

“By-Law” means the Rates By-Law promulgated in terms of section 6 of the Act

“Municipality” means the Mbombela Local Municipality

2. THE FOLLOWING DETERMINATIONS SHALL COME INTO EFFECT FROM 01 JULY 2014

2.1 The general rate shall be **0.7915 cent in the Rand** before considering any applicable rate ratios in terms of part eight of the by-law.

2.2 The rate shall be based on the market value of all rateable categories of properties appearing on the general valuation roll and subsequent supplementary valuation rolls of the municipality.

2.3 In terms of section 8.4 of the By-Law the following rate ratios have been applied for determination of the cent in the Rand for the different categories of properties;

- (a) Residential Property to Residential Property the ratio shall be 1:1;
- (b) Residential Property to Residential Property with special consent the ratio shall be 1:1.5
- (c) Residential Property to Agricultural Property the ratio shall be 1:0.25;
- (d) Residential Property to Business Property the ratio shall be 1:2.5;
- (e) Residential Property to Government Property the ratio shall be 1:3;
- (f) Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;
- (g) Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25
- (h) Residential Property to Other Property the ratio shall be 1:1.5.

2.4 The determination of rates for the different categories of properties before considering any applicable rebates shall be as follows;

- 2.4.1 A cent in the Rand of 0.7915 shall be applicable to a residential property;
- 2.4.2 A cent in the Rand of 1.1873 shall be applicable to a residential property with special consent;
- 2.4.3 A cent in the Rand of 0.1979 shall be applicable to an agricultural property;
- 2.4.4 A cent in the Rand of 1.9788 shall be applicable to a business property;
- 2.4.5 A cent in the Rand of 2.3745 shall be applicable to a government property;
- 2.4.6 A cent in the Rand of 0.1979 shall be applicable to a public service infrastructure property;
- 2.4.7 A cent in the Rand of 0.1979 shall be applicable to a public benefit organization property;
- 2.4.8 A cent in the Rand of 1.1873 shall be applicable to other property; and
- 2.4.9 A cent in the Rand of 0.7915 shall be applicable to a rural communal and state trust land;

3. THE FOLLOWING RELIEF MEASURES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW ON CATEGORY OF SPECIFIC PROPERTIES

3.1 EXEMPTIONS

- 3.1.1 The first R80 000.00 of a market value of a residential property shall be exempted from levying of property rates;
- 3.1.2 The first 30% of a market of a public service infrastructure property shall be exempted from levying of property rates;
- 3.1.3 A municipal property shall be 100% exempted from levying of property rates;
- 3.1.4 A place of worship, including an official residence registered in the name of the community shall be 100% exempted from levying of property rates; and
- 3.1.5 Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act shall be exempted from levying of property rates.

3.2 REBATES

- 3.2.1 In terms of criteria stipulated in section 9.4.2(a) of the By-Law the following conditional rebates shall apply to an agricultural property;
- (a) A rebate of 7.5% shall apply if the farming activities contribute to the local economy;
- (b) A rebate of 7.5% shall apply if the farmer provides permanent residence or decent accommodation to the farm workers and their dependents within the property
- (c) A rebate of 7.5% shall apply if the farmer provides portable water and electricity to the dwellings of farm workers; and
- (d) A rebate of 7.5% shall apply if the farmer provides land for cemetery or educational or recreational purposes to the farm workers within the property.
- 3.2.2 A rebate of 100% on property rates shall apply to state trust and rural communal property.
- 3.2.3 No phase in discount will be granted in this financial year for newly rateable properties.
- 3.2.4 The following affordability rebates shall apply to different categories of properties;
- (a) A rebate of 28% on property rates shall apply to a business property;
- (b) A rebate of 30% on property rates shall apply to a residential property
- (c) A rebate of 20% on a property rates shall apply to a residential property with special consent; and
- (d) A rebate of 10% on property rates shall apply to vacant and other property.

4. THE FOLLOWING REBATES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW TO CATEGORY OF SPECIFIC OWNERS OF PROPERTIES

- 4.1 Indigent owners or household shall be granted a 100% rebate on their property rates account.
- 4.2 Retired people over the age of 60 years and with annual income exceeding the threshold value in terms of indigent policy shall be granted rebates on their property rates account as follows;

Annual Income Threshold		% Rebate
R0.00	- R110 200	100%
R110 200	- R137 750	75%
R137 750	- R172 188	50%
More than R172 188		25%

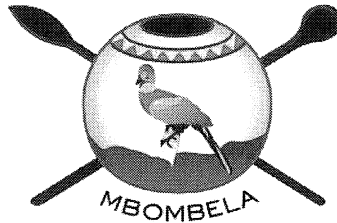
- 4.3 A rebate of 20% shall be granted on property rates account to an owner of emerging lodges.

- 4.4 A rebate of 20% shall be granted on property rates account, excluding an owner of a bed and breakfast, guest houses and lodges to an owner of very small, small and micro business.
 - 4.5 A rebate of 25% shall be granted on property rates account to an owner of a property in a privately developed townships or estates or complexes situated in un-proclaimed areas where the municipality does not provide any community services.
 - 4.6 A rebate of 10% shall be granted on property rates account to an owner of property in a privately developed townships or estates or complexes situated in proclaimed areas where the municipality does not maintain any of the community services.
 - 4.7 A rebate of 100% shall be granted on property rates account to an owner of a property situated in a proclaimed township within a rural communal and state trust land.
 - 4.8 A rebate of 100% shall be granted on property rates account to a property owned by a Public Benefit organization.
 - 4.9 A rebate of 10% shall be granted to owners of specific properties situated within an area demarcated as a City Improvement District in accordance with the City Improvement Districts By-Law.
5. The following category of owners are requested to apply for the rebates as stated above in terms of part nine of the rates by-law;
 - 5.1 Retired people who are 60 years of age and above;
 - 5.2 Owners of emerging lodges;
 - 5.3 Owners of small, very small and micro businesses;
 - 5.4 Owners of privately developed townships, estates or complexes
 - 5.5 Owners of properties used for public benefit activities; and
 - 5.6 Owners of agricultural properties
 6. The property rates are zero-rated from VAT in terms of Value Added Tax Act.
 7. Interest on property rates in arrears shall be calculated and charged at prime lending rate as determined by the South African Reserve Bank which shall be applicable at 30 June 2014 plus one percent fixed over the twelve months period of the 2014/2015 financial year.

**SL DITSHEGO
ACTING MUNICIPAL MANAGER**

**Nelspruit Civic Centre
P O Box 45
NELSPRUIT
1200**

LOCAL AUTHORITY NOTICE 134



MBOMBELA LOCAL MUNICIPALITY

MBOMBELA PROPERTY RATES BY-LAW

NOTICE**MBOMBELA PROPERTY RATES BY-LAW**

In terms of section 13 of the Local Government: Municipal System Act no.32 of 2000 as amended; the Mbombela Local Municipal ("the municipality") hereby published the Property Rates By-laws set forth hereinafter, which have been made by the Municipality in terms of section 6 of the Local Government: Municipal Property Rates Act 6 of 2004.

PART ONE: PREAMBLE**Whereas:**

- 1.1 It is enshrined in Section 229 of the Constitution (Act 108 Of 1996) that a municipality may impose rates on property within a regulatory framework.
- 1.2 The Municipal Property Rates Act, 2004 (Act no. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
 - 1.2.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
 - 1.2.2 Criteria for determination of categories of properties and differential rates for each category of properties;
 - 1.2.3 Criteria to be applied for granting rates relief measures;
 - 1.2.4 Levying of rates in sectional title schemes;
 - 1.2.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).
- 1.3 In terms of section 4(1)(c)(ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with section 2 of the said Local Government Municipal Property Rates Act, the municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property. In terms of section 4(2) of the Local Government: Municipal Systems Act, 2000 (32 of 2000), council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to-
 - (a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
 - (b) Provide, without favour or prejudice, democratic and accountable government;
 - (c) Encourage the involvement of the local community;

- (d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
 - (e) Consult the local community about-
 - (i) The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
 - (ii) The available options for service delivery.
 - (f) Give members of the local community equitable access to the municipal services to which they are entitled;
 - (g) Promote and undertake development in the municipality;
 - (h) Promote gender equity in the exercise of the municipality's executive and legislative authority;
 - (i) Promote a safe and healthy environment in the municipality;
 - (j) Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution; and
- 1.4 Further, a municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.
- 1.5 In terms of section 62 of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.

ARRANGEMENT OF THIS BY- LAW

TABLE OF CONTENTS	PAGE NUMBERS
PART TWO: DEFINITIONS	5
PART THREE: THE PURPOSE OF THIS BY-LAW	14
PART FOUR: FUNDAMENTAL PRINCIPLES	14
PART FIVE: APPLICATION OF THIS BY-LAW	14
PART SIX: EQUITABLE TREATMENT OF RATEPAYERS	16
PART SEVEN: DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES	16
PART EIGHT: CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES	17
PART NINE: RELIEF MEASURES FOR PROPERTY OWNERS	18
PART TEN: MULTIPLE-PURPOSE PROPERTIES	23
PART ELEVEN: COMMUNITY PARTICIPATION	23
PART TWELVE: RECOVERY AND PAYMENT OF RATES	24
PART THIRTTTEEN: SPECIAL RATING AREA	24
PART FOURTEEN: REVIEW PROCESS	24
PART FIFTEEN: SHORT TITLE	24
PART SIXTEEN: IMPLEMENTATION DATE	24

PART TWO: DEFINITIONS

All words and phrases in this by-law shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act to be mutatis mutandis applied in this by-law:

Unless the context indicates otherwise:

Act	Means the Local Government: Municipal Property Rates Act (Act 6 of 2004).
Child Headed Household	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007.
Actual Use	Means actual activities that are taking place on the property.
Agent	In relation to the owner of a property, means a person appointed by the owner of the property: (a) to receive rental or other payments in respect of the property on behalf of the owner; or (b) To make payments in respect of the property on behalf of the owner.
Agricultural purposes	In relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
Annually	Means once every financial year.
Category	(a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;
Community services	Means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates;
Date of valuation	Means the date determined by the Municipality in terms section 31(1); Means a person who qualifies to receive relief in terms of the Social Services Act. 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical
Disabled people	

	practitioner;
Disaster	Means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic condition.
Effective date	(a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or (b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2) (b) of the Act.
Exclusion	In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act.
Exemption	In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.
Financial year	Means the period starting from 1 July in each year to 30 June the following year.
Income Tax Act	Means the Income Tax Act, 1962 (Act No. 58 of 1962)
Indigent household	Means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;
Illegal use	Where any person uses land or buildings or causes it to be used in conflict with the provisions of the town planning scheme in operation.
Land reform beneficiary	In relation to a property, means a person who: (a) acquired the property through: (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or

(ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);

(b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

(c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

Land Tenure right

Means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004.

Local community

In relation to a municipality:

(a) means that body of persons comprising:

(i) the residents of the municipality;

(ii) the ratepayers of the municipality;

(iii) any civic organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and

(iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.

Local Municipality

Means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality. Establish in terms of section 12 of the Municipal Structures Act No. 117 of 1998.

Market Value

In relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

Municipal Finance Management Act	Means the Local Government: Municipal Finance Management Act No. 56 of 2003;
Municipal Manager	Means a person appointed in terms of Section 82 of the Municipal Structures Act;
Newly rateable property	Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding: (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and (b) A property identified by the Minister by notice in the Gazette where the phasing in of a rate is not justified.
Non-profit organization	Means any organization which is registered in terms of the Non- profit Organizations Act.
Occupier	In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;
Organ of State	Means an organ of state as defined in Section 239 of the Constitution.
Owner	(a) In relation to a property referred to in paragraph (a) of the definition of property, means a person in whose name ownership of the property is registered in a register; (b) In relation to a right referred to in paragraph (b) of the definition of property, means a person in whose name the right is registered; (c) In relation to a land tenure right referred to in paragraph (c) of the definition of property , means a person in whose name the right is registered or to whom it was granted in terms of legislation; or (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of property, means the

organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled", provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

- (i) A trustee, in the case of a property in a trust excluding state trust land;
- (ii) An executor or administrator, in the case of a property in a deceased estate;
- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A Judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitudes; or
- (vii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (viii) A lessee in the case of property that is registered in the name of the municipality and is leased by it.

Permitted use

In relation to a property, means the limited purposes for which the property may be used in

terms of:

- a) any restrictions imposed by:
 - (i) a condition of title;

- (ii) a provision of a town planning or land use scheme; or
 - b) any legislation applicable to any specific property or properties; or
 - c) any alleviation of any such restrictions;
- Person** Means natural and legal person including an organ of state.
- Prescribe** Means prescribe by regulation in terms of section 83 of the Act
- Privately owned township** Means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub – divisions or township establishment units (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township.
- Property** Means:
- a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
 - b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
 - c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
 - d) public service infrastructure;
- Property Register** Means a register of properties referred to in Section 23 of the Act.
- Protected area** Means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.
- Protected Areas Act** Means the National Environmental Management: Protected Areas Act, 2003

Publicly controlled

Means owned by or otherwise under the control of an organ of state, including:

- a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);
- b) A municipality; or
- c) A municipal entity as defined in the Municipal Systems Act

Public Benefit Organization Property

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

Public Service Infrastructure

Means publicly controlled infrastructure of the following kinds:

- a) National, provincial or other public roads on which goods , services or labour move across a municipal boundary;
- b) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- c) Power stations, power substations or power lines forming part of an electricity scheme serving the public.
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- e) railway lines forming part of a national railway system;
- f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- g) Runways or apron at national or provincial airports;

- h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- i) Any other publicly controlled infrastructure as may be prescribed; or
- j) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) and (i)

Rate Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

Rateable property Means a property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act.

Rebate In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

Reduction In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of that property at the lower amount.

Register

- a) means to record in a register in terms of –
 - (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- b) Includes any other formal act in terms of any other legislation to record :
 - (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

Residential property	Means a property included in a valuation roll in terms of Section 48 (2) (b) of the Act as residential.
Sectional Titles Act	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
Sectional Title Scheme	A scheme defined in Section 1 of the Sectional Titles Act;
Smallholding	Means a property recorded in the Deeds Registry Database as being an Erf and zoned for Agricultural usage in terms of an adopted Town Planning Scheme.
Sectional title unit	A unit defined in Section 1 of the Sectional Titles Act;
Small, very small and micro business	Means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;
Special rating area	Means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;
Specified public benefit activity	An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.
State Trust Land	Means land owned by the state: <ul style="list-style-type: none"> a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure; b) over which land tenure rights were registered or granted; or c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)
The Municipality	Means the Mbombela Local Municipality;
Value of property	Means the market value of the property as determined in terms of the Act;

Vacant Land

Means land, irrespective of zoning or category and in respect of which the municipality has not issued an occupancy certificate, being unimproved urban land.

PART THREE: THE PURPOSE OF THIS BY-LAW**3. The purpose of this By-Law is to:**

- 3.1 Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 and 6 thereof;
- 3.2 Give effect to the principles outlined hereunder;
- 3.3 Ensure the equitable treatment of persons liable for rates;
- 3.4 Determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.5 Determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.6 Determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 3.7 Determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.8 Determine how the municipality's powers must be exercised in relation to multiple use properties;
- 3.9 Determine measures to promote local economic and social development; and
- 3.10 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS BY-LAW**4. The principles of the By-Law are to ensure that:**

- 4.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;
- 4.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- 4.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
 - 4.3.1 Profits generated on trading and economic services; and
 - 4.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 4.4 Property rates will not be used to subsidize trading and economic services;
- 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 4.6 This By-Law and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

PART FIVE: APPLICATION OF THIS BY-LAW**5.1 IMPOSITION OF RATES**

- 5.1.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include a property on which the municipality may in terms of section 2 of the

Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.

- 5.1.2 The council pledges itself to limit the annual increase if financially viable of the rate in the rand in accordance with the National Treasury guidelines and/or the approved integrated development priorities.

PART SIX: EQUITABLE TREATMENT OF RATEPAYERS

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act.
- 6.2 Any differentiation in the levying of rates must not constitute unfair discrimination.

PART SEVEN: DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

7. It is recorded that the Municipality has adopted the following resolutions:
- 7.1 To levy rates on all rateable property in its area of jurisdiction;
- 7.2 To determine the date of implementation as being 1 July 2014;
- 7.3 To determine the 2nd of July 2013 as the valuations date to be date of the next general valuation;
- 7.4 To levy different cents in the rand for different categories of rateable property;
- 7.5 That the categories of properties for the purpose of differential rating are those specified in this By-Law document;
- 7.6 That the criteria for the categorization in terms of section 8(1) of the Act shall be actual use where a property is improved and vacant land shall be categorized according to the permitted use of the property.
- 7.7 In case of a property used for multiple-purposes the categories shall be determined according to the actual uses of the property;
- 7.8 To rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market related value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 7.9 To not rate properties of which the municipality is the owner, except where leased to a third party.

PART EIGHT: CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES

- 8.1 For the purposes of differential rates, the following categories of rateable property have been determined, being:

8.1.1 Residential Property

Means improved property that:

- (a) Is used for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used for residential purposes.

For the purpose of this rates policy, the following are excluded as residential purposes

Hotels
Guesthouses and Lodges
Time share units used for holiday purposes

8.1.2 Residential Property with special consent

Means improved property that is granted additional rights and consent use other than residential in terms of the Town Planning Scheme.

8.1.3 Business Property

Means property that is used for business, commercial and industrial purposes.

8.1.4 Agricultural Property

Means a property used for bona fide agricultural purposes in which the property owner deriving his principal source of income from the produce of the land on such property. Agricultural/farming property not used for bona fide agricultural/farming purposes shall be rated according to the actual use thereof.

8.1.5 State or Government Property

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

8.1.6 Public Service Infrastructure

Means a property as defined by the Act.

8.1.7 Public Benefit Organization Property

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

8.1.8 Rural Communal Land

Means the residual portion of a rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

8.1.9 State Trust Land

Means land owned by the state:

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of a land tenure;
- (b) over which land tenure rights were registered or granted; and
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights.

8.1.10 Municipal property

In relation to property shall mean those properties owned & exclusively used by the municipality;

8.1.11 Places of Public Worship

means a property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at the services at that place of worship;

8.1.12 Protected area

Means an area that is, or has to be, listed in the register referred to in Section 10 of the Protected Areas Act.

8.1.16 Other property

Means any property determined by the Municipality which is not associated with any of the categories of property listed above.

- 8.2 Differential rating among the above determined categories of properties will be done by way of setting different rates in the rand for each property category.
- 8.3 The basis of categorization of properties for rating purposes does not permit any illegal usage of such properties.
- 8.4 The criteria for weighting the categories determined above, for the purpose of determining cent in a rand amount (rates tariff) for each category, must take account of the following :
- 8.4.1 The reliance or otherwise of the owners of specific categories of property on the type of services supplied by the Municipality;
- 8.4.2 The strategic importance of a category of property with reference to the aims and objectives of the municipality and the Government of the Republic of South Africa as a whole (such as social, economic and developmental issues); and
- 8.4.3 The nature of the category of property, including its sensitivity to rating (for example agricultural properties used for agricultural purposes).
- 8.5 The following principles and section 8.4 above shall be applied for the determination of the cents in the rand;
- 8.5.1 The activities that take place on business, commercial, industrial and government properties have been identified as the cost drivers for community services;
- 8.5.2 The rate ratio between residential and the properties mentioned in 8.4.1 above shall be 1:2.5 to business;
- 8.5.3 The rate ratio between residential and residential property with special consent shall be 1:1.5
- 8.5.4 The rate ratio between residential and government property shall be 1:3.
- 8.5.5 The rate ration between residential and properties categorised as other shall be 1:1.5;
- 8.5.6 The rate ratio between residential and agricultural property shall be 1:0.25 as prescribed by the Act;
- 8.5.7 The rate ratio between residential and public service infrastructure property shall be 1:0.25 as prescribed by the Act;
- 8.5.8 The rate ratio between residential and public benefit organization property shall be 1:0.25 as prescribed by the Act; and
- 8.5.9 The rate ratio between residential and Kruger National Property – Business shall be 1:2.5.

PART NINE: RELIEF MEASURES FOR PROPERTY OWNERS

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this By-Law and granted in terms of section 15 of the Act to:
- 9.2.1 A specified category of properties; or
- 9.2.2 A specified category of owners of property as provided for hereunder.
- 9.3 The municipality will not grant relief to the owners of property:
- 9.3.1 On an individual basis.
- 9.3.2 If the account is in arrears on the date of application.
- 9.4 The relief measures shall be granted as follows;
- 9.4.1 Category of specific owners

Part A: Rebates

(a) Indigent household	
Criteria	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) Retired people	
Criteria	<ul style="list-style-type: none"> • Make application in writing in a prescribed form; • Own and permanently reside on the property; • Not own more than one property; • Be at least 60 years of age;
Rebate	A sliding scale rebate system on property rates account shall be determined by the municipal council on annual basis during the budget process.
(c) Owner of emerging lodges	
Qualification criteria	<ul style="list-style-type: none"> • Make application in writing in a prescribed form; • Own and utilise the property solely for a lodge; Proof of business license issued by the municipality; • Proof of registration with the South African Grading Council; and • Be in a position to submit audited annual financial statements.
Rebate	Additional rebates on property rates shall be determined by the municipal council on an annual basis during the budget process.
(d) Owner of a property in estates/ complexes	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • The cost of rendering and maintaining of internal community services should incurred by residents or Home owners Associations • The property owner's account should be up to date.
Rebate	<ul style="list-style-type: none"> • A rebate on property rates account for owner of a property situated in unproclaimed area shall be determined by council on an annual basis during the budget process; and • A rebate on property rates account for owner of a property situated in proclaimed area where the municipality does not provide maintenance of the internal community services shall be determined by council on an annual basis during

	the budget process;
(e) Owner of properties in townships establishment (Private township developers/ Township owners)	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Provide Service Level Agreement entered into with the municipality; • The full cost of infrastructural development of the township should be incurred by the owner(s); • The property owner's account should be up to date.
Rebate	<ul style="list-style-type: none"> • 100% rebates shall be granted as from proclamation date of the township and shall not exceed a period of twelve months; • Thereafter, a rebate of 75% year 1, 50% year 2 and 25% year 3 shall apply and/or terminated when a transfer to the third party takes place, whichever comes first. • Developers with existing Services agreement for Township development will be required to apply yearly for rebate and the application will be considered by a Property Rates Committee, consisting of the Accounting Officer and Chief Financial Officer or their nominees.
(f) Owner of a property in a formalized township within rural communal land	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(g) Owners of properties within Kruger National Park	
	<ul style="list-style-type: none"> • Own properties within the Kruger National Park; • Property shall be used for any purposes other than nature reserves and national environmental management.
Rebate	The rebates shall be determined by the municipal council on an annual basis during the budget process.
(h) Owner of a smallholding property categorised as a residential property	
Qualification criteria	<ul style="list-style-type: none"> • The municipality should not be providing any of the community services
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(i) Properties Owned by Public Benefit Organisations, which includes;	
<ul style="list-style-type: none"> • Properties used for any specified public benefit activity listed in item 1 (Welfare and Humanitarian), item 2 (Health care), and item 4 (Education and Development) of part 1 of the Ninth Schedule to the Income Tax Act. • Any other properties that Council may deem to be owned and exclusively used for public benefit activities for the purpose of rebates. 	

Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Provide proof of ownership of the property and registration as a Non-Profit Organisation in terms of the Income Tax Act or registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9th Schedule; • Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the organisation; • that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and • Be in a position to submit audited annual financial statements.
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.

9.4.2 Category of specific properties

Part A: Rebates

(a) Agricultural Properties	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Proof of registration as a bona fide farmer from South African Revenue Services or if not taxed as a farmer provide proof that income generated in excess of 40% is derived from farming activities; • The property must be predominately utilised for bona fide farming purposes; • The application should clearly motivate how the farm contributes in terms of: <ul style="list-style-type: none"> - local economy; - provision of permanent residence or decent accommodation to the farm workers and their dependants; - provision of portable water and electricity to the dwellings of farm workers; and - provision of land for cemetery or educational or recreational purposes to the farm workers, children as well as for people from surrounding farms.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) State Trust and Rural Communal Property	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(c) Affordability rebates – the rebate is unconditionally granted to assist the property owners to leverage the rates burden because of the current economic conditions.	

• Business, Commercial and Industrial Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Government Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Mining Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Residential Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Other Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(d) Newly rateable properties	25% phase-in rebate on property rates in terms of section 21(2) of the Act; and 100% phase-in rebate on property rates in terms of section 21(3) of the Act.
(e) Public Benefit Organization with no source of income (Depending on Donations/ Grants)	May be granted up to 100% rebates subject to an application and approval by the Chief Financial Officer; and application shall be done on a prescribe form obtainable from the Municipal Offices.

Part B – Exemptions

(a) Residential Property	<ul style="list-style-type: none"> • The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of section 17(1)(h) of the Act. • The additional exemption on the market value to be exempted from levying of rates shall be determined by the municipal council on annual basis during the budget process.
(b) Public Services Infrastructure Property	<ul style="list-style-type: none"> • The first 30% of the market value of the property is exempted from levying of rates in terms of section 17(1)(a) of the Act.
(c) Municipal Property	The property shall be 100% exempted from levying of rates
(d) Places of Worship, including an official residence registered in the name of the community	The property shall be 100% exempted from levying of rates.
(e) Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act	The properties shall be 100% exempted from levying of rates

Part C: Reductions

(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions	
Qualification criteria	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by:

	(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002); or
	(b)	Any other serious adverse social or economic conditions as may be defined and determined by the Council.
Reduction Granted		The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer. The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year. Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may be lodged for the new financial year

PART TEN: MULTIPLE PURPOSE PROPERTIES

- 10.1 The municipality shall determine a method of assessing the value of multi-purpose properties applying the following;
 - 10.1.1 The valuation for all other multiple-purpose properties will be assessed according to the actual uses of the property according to value.
- 10.2 With regard to the Rural Communal property;
 - 10.2.1 It shall be considered as a multiple use property as a whole;
 - 10.2.2 That identifiable and rateable entities within the property (such as commercial leases and commercial and institutional in possession of permission to occupy) be identified, valued and rated individually, with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
 - 10.2.3 That the residual portion of the land be considered as the 'Residual' portion of the land for valuation, rating and rebate purposes and be exempted from the payment of rates as stipulated in section 9.4.2, Part B, subsection (c).

PART ELEVEN: COMMUNITY PARTICIPATION

- 11 The municipality has conducted public participation and consultation processes in accordance with Chapter 4 of the Municipal Systems Act No. 32 of 2000 and Chapter 2 of this Act.

PART TWELVE: RECOVERY AND PAYMENT OF RATES

- 12.1 An owner of a rateable property shall be liable for a property rates account;
- 12.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments;
- 12.3 Owners of rateable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis;
- 12.4 If a person has not received a written account, that person must take the necessary inquiries from the municipality.
- 12.5 Payment of property rates with a single amount on or before 31 December of each year, shall be allowed on condition that;
 - 12.4.1 The owner applies to the municipality in writing on a prescribed form for such deferment of the payment of the property rates account;
 - 12.4.2 The owner has more than ten (10) property rates accounts with the municipality;
 - 12.2.3 The application reaches the municipality before 30 June of each year; and
- 12.6 Interest on overdue property rates accounts shall not be levied until 31 December of each year in case of payment of property rates with a single amount for twelve months;
- 12.7 Rates in arrears shall be recovered from tenants and occupants of a property if the owner fails to pay the property rates account.

- 12.8 The Credit Control and Debt Collection By-Law shall apply in cases where the property rates accounts are in arrears.
- 12.9 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-Law.
- 12.10 Interest on property rates in arrears shall be calculated and charged at prime rate which shall be applicable at 30 June plus one percent fixed over the twelve months period of the financial year.

PART THIRTEEN SPECIAL RATING AREA

13. The establishment of or applications for establishment of special rating area(s) in terms of its City Improvement Districts By-Law shall be considered by the municipality.

PART FOURTEEN: REVIEW OF THIS BY-LAW

14. The By-Law shall be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

PART FIFTEEN: SHORT TITLE

15. This By-Law shall be known as Mbombela Property Rates By-Law.

PART SIXTEEN: IMPLEMENTATION OF THIS BY-LAW

16. This By-Law shall be effective from 1 July 2014.

LOCAL AUTHORITY NOTICE 135

MBOMBELA LOCAL MUNICIPALITY



TARIFF POLICY & BY LAWS

CHAPTER 1

GENERAL TARIFF POLICY

1. LEGISLATIVE COMPLIANCE

1.1 The Municipal System Act 2000 requires that Council adopt a tariff Policy.

1.2 The general financial management functions covered in Section 62(f) of the Municipal Finance Management Act includes the implementation of a tariff policy.

1.3 Specific legislation applicable to each service has to be taken into consideration when determining this policy.

2. SCOPE OF THE POLICY

2.1 The policy document guides the annual settings of tariffs, hence the policy does not make specific tariff proposals, nor does it deal in any detail with the implementation of the specific tariff proposals. Details pertaining to specific levels and applications of the various tariffs are published in the Schedule of Tariffs, which must be read in conjunction with this policy.

2.2 The policy is applicable to all tariffs for electricity, water, sanitation and solid waste services provided by the municipality.

2.3 This policy is also applicable to all sundry tariffs, as provided for in the Schedule of Tariffs of the municipality.

3. OBJECTIVE

The objective of the tariff policy is to ensure that:

3.1 The tariffs approved during the Budget process by council to fund services must be consistent with this policy.

3.2 The municipal services are financially sustainable, affordable and equitable.

3.3 The needs of the poor households are taken into consideration.

3.4 There is consistency in how tariffs are applied throughout the municipality.

3.5 Tariffs are standardized, where possible, for the whole municipal area.

4. DEFINATION

All terms used in this policy, unless the context indicates otherwise, have the meaning ascribed to them in Local Government legislation or hereunder.

4.1 "Municipal Account" means a postulated current account based on median bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded.

4.2 “Provision for Free Basic Services” means a budget provision, funded from National Government transfers and Municipal rates to subsidize basic services.

4.3 “Rates and General Accounts” means a budget provision used to fund other municipal services excluding electricity, water, sanitation and solid waste services.

4.4 “Sundry Tariff” means a tariff set as a fixed rand amount.

4.5 “Consumption based Tariff” means a tariff set as rand amount per measurable unit of service.

4.6 “CPIX” means the consumer price index excluding mortgage costs as measured by STATSSA.

5. PRINCIPLES

5.1 Where a service is provided primarily for the benefit of an individual user and the actual service or consumption can be accurately measured, the cost of providing the service should be recovered from the individual by means of tariffs.

5.2 When a service connection is made a sundry tariff should be used and when a metered quantity of service is consumed a consumption based tariff should be used. Both tariffs must comply with this policy.

5.3 Some services, although provided primarily for the benefit of individual users and have important community benefits, particularly where these services cannot be accurately measured, the cost of the service should be recovered by combination of tariffs and rates. The provision of solid waste collection is such a service.

5.4 Where service is provided primarily for the benefit of the community and an individual's benefit cannot be accurately measured, the cost of providing the service should be recovered by means of rates. The rates must comply with the Municipal Property Rates Policy.

5.5 Poor households should have access to free basic services in line with the municipal Indigent Policy, taking into consideration the affordability constraints of the municipality.

6. APPLICATION OF TARIFF PRINCIPLES

Section 74(2) of the Municipal System Act 2000 sets out principles that must be reflected in the tariff policy. These principles are applied in the following manner:

6.1 Users will be treated equitably through differentiation for tariff purposes being limited to that set out in Section 7 of this policy.

6.2 Where appropriate and possible the amount individual users pay for services will generally be in proportion to their use of that service by using consumption based tariffs as defined in section 4 of the policy. This will be

dependent on the service being able to provide discernable, universal and regular metering and reading.

6.3 Poor households as defined in the municipal indigent relief measures as contained in the Indigent Policy, from time to time, will have access to basic services through subsidized tariffs.

6.4 Tariffs will reflect the cost reasonably associated with rendering the service. The budgeted income and expenditure of the service, showing the contributions to rates and general accounts, support services recharges and contributions from the provision of Free Basic Services must be provided as part of the annual report on the revision of rates and tariffs.

6.5 Tariffs will be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned.

6.6 The economical, efficient and effective use of resources may be encouraged through the use of the incline block tariffs.

6.7 The promotion of local economic development through a special tariff for the categories of industrial users may be provided.

6.8 Where free basic services or services subsidized from the provision of free basic services to individual users, these will be shown on the monthly bill of those users. The extent of the annual subsidization to all subsidized users will be reported to council.

6.9 In addition, the amount that users pay for services, as measured through the municipal account, should generally be affordable for different categories of users and annual tariff increase should be benchmarked against inflation measure by CPIX.

7 DIFFERENTIATION FOR TARIFF PURPOSES

Section 74(3) of the Municipal Systems Act 2000 allows for the differentiation between different categories of users, debtors, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination. The nature and basis for differentiation for tariff purposes in Mbombela Local Municipality is set out in the categories defined, below.

7.1 Categories of users

The following are categories of users as defined for this Policy:

- (a) Residential,
- (b) Business, commercial and industrial,
- (c) Agricultural,
- (d) Government,
- (e) Public service infrastructure,
- (f) Public benefit organisation,
- (g) Mining,
- (h) Rural communal land/ or state owned,

- (i) Municipal,
- (j) Places of public worship,
- (k) Vacant land,
- (l) Educational,
- (m) Other properties

7.2 In addition to (7.1) sub-categories of residential or domestic users may be defined based on any one or more of the following criteria in a manner defined in the municipal free basic services policy.

- (a) Service consumption level
- (b) Payment levels
- (c) Household income
- (d) Type of connection or service

7.3 Categories for the standard of service

Different categories for standard of service may be defined for different users or services. They may be based on:

- (a) Access
- (b) Frequency
- (c) Quantity, quality and consumption level
- (d) Type of connection or service

CHAPTER 2

CALCULATION OF TARIFF FOR MAJOR SERVICES

In order to determine the tariffs which must be charged for the supply of the four major services, Mbombela Local Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- (a) Cost of bulk purchases in the case of water and electricity.
- (b) Distribution costs.
- (c) Distribution losses in the case of electricity and water.
- (d) Depreciation expenses.
- (e) Maintenance of infrastructure and other fixed assets.
- (f) Administration and service costs, including:
 - i. service charges levied by other departments such as finance, human resources and legal services;
 - ii. reasonable general overheads, such as the costs associated with the office of the municipal manager;
 - iii. adequate contributions to the provisions for bad debts and obsolescence of stock;
 - iv. all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area
- (g) The intended surplus to be generated for the financial year, such surplus to be applied:
 - i. as an appropriation to capital services; and/or
 - ii. generally in relief of rates and general services
- (h) The cost of approved indigence relief measures.

The municipality shall provide at least the first 50kWh of electricity per month and the first 6kl of water and sewerage per month free of charge to consumers who have registered as indigents in terms of the municipality's indigent relief program.

The municipality shall further consider relief in respect of the tariff for refuse removal for such registered indigents to the extent that the council deemed such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than a discount of 50% but not more than 100% on the monthly amount billed for the service concerned.

Water is a scarce national resource and this municipality is committed to the prudent conservation of such resources. The tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The implementation of this escalation will be determined and phased-in, according to affordability after consultation during the public participation process. An extra penalty can be charged by Council where it is deemed necessary to address critical water shortages. In setting the consumption levels, tariffs and penalties, consideration shall be given to the current dam levels and anticipated rainfall during the current financial year.

CHAPTER 3

WATER

1. The categories of water consumers shall be charged at the current applicable two-part tariffs, namely fixed charge and consumption based tariff as approved by council in each annual budget.

2. The tariff adjustment shall be effective from the 1st of July each year.
3. Water Tariff structure and charges shall be:
 - i. A fixed availability fee shall be charged to all vacant unimproved stands where such a service is available or the services can be connected to the main supply.
 - ii. All domestic water consumers on improved stands may be charged a fixed charge after receiving the first 6 (six) kl of water consumed, free of charge, per month. Thereafter a stepped tariff per kl as determined by the council from time to time shall be applicable on the metered water consumption.
 - iii. All business and industrial consumers may be charged a fixed charge and a stepped tariff per kilolitre consumed may be applied.
 - iv. Institutional consumers which include schools, institutions of higher learning, hospitals, government buildings, places of worship, sporting clubs and non-governmental organizations. These consumers may be charged a fixed charge and a stepped tariff per kilolitre consumed may be applied.
 - v. Metered domestic consumers registered as indigents shall receive the first six (6) kilolitres of water consumed free of charge. A stepped tariff per kilolitre shall apply on consumption exceeding the first six (6) free kilolitres and no fixed or basic charge shall apply on this category of consumers.
 - vi. As water is a very scarce resource in Mbombela Local Municipality, consumers can be restricted during dry seasons to use water to certain

- levels and a penalty fee shall be imposed if the consumer consumes more than the restricted levels.
- vii. Consumer deposits shall be determined according to the municipality's Consumer Deposit Policy.
 - viii. Departmental water consumption shall be charged at cost.
4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done then the disconnection date of the water supply may be taken as the date of termination or date on which a new connection is registered.
5. Customers connected to their private boreholes shall be charged the fixed availability charge.

CHAPTER 4

SANITATION

1. The categories of users shall be charged per the applicable two part tariff, namely basic charge and consumption charge, as approved by the council in each annual budget.

2. Tariff adjustments will be effective from 1 July each year.
3. Sanitation tariff structure and charges shall be:
 - i. A basic or availability charge shall be charged per month for every serviced stand. A serviced stand implies where such a service is available and the service can be connected to the main supply.
 - ii. On a full waterborne sewerage service, all consumers may be charged on a monthly basis a variable charge based on the consumption of water.
 - iii. Should water be supplied from a borehole or other supply and such supply is not metered by a municipal water meter, a fixed charge shall be charged.
 - iv. For suction tank and septic tank system, consumers shall be charged a tariff based on the number of kilolitres of sewerage waste removed.
4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done then the disconnection date of the water supply may be taken as the date of termination or date on which a new water connection is registered.

CHAPTER 5

SOLID WASTE REMOVAL

- 1 The categories of solid waste consumers shall be charged at the current applicable fixed charge or volume based charge as approved by council in each annual budget.

- 2 Tariff adjustments shall be effective from 1 July each year.
- 3 The solid waste removal tariff structure shall be:
 - i. A fixed monthly charge or volume base charge.

CHAPTER 6 ELECTRICITY

1. The various categories of electricity consumers shall be charged at the applicable tariffs, and under such conditions as approved by the National Energy Regulator of South Africa (NERSA).
2. Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.
3. The electricity tariff structure charges shall be:
 - i. Mbombela Local Municipality shall apply the following three standard tariff structures as recommended by the National Electricity Regulator.
 - (a) Domestic
This tariff is applicable for residential customers with a single phase connection of 60Amps or less with 230Volt supply or a three phase with 400Volt supply.
 - (b) Business and Commercial

Business and commercial customers with a connection of 80Amp or less, either single phase connection with 230Volts supply or three phase connection with 400Volts supply, may be charged a fixed and an energy charge. This includes domestic customers requiring a larger than 60Amp connection.

(c) Low tension/ High tension

This tariff is where the circuit breaker is more than 80Amps with three phase supply. The tariff shall consist of a fixed, energy, demand and network charge.

Where the customer uses more than 200 MWh per month, a time of use (TOU) tariff may be applied. This tariff shall consist of a fixed, multi energy, reactive energy, demand, and network charge, per Eskom's determined time periods and seasons.

- ii. With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- iii. All domestic electricity consumers of the Mbombela Local Municipality who are registered as indigents with the municipality shall receive at least the first 50 (fifty) kWh electricity consumed, free per month.
- iv. All vacant unimproved properties that can be connected to the main supply shall be billed a basic charge per month.
- v. The consumer deposits shall be determined according the municipality's Consumer Deposit Policy.
- vi. Departmental electricity consumption shall be charged at cost. The cost is based on the cost of the previous financial year divided by the number of units sold.

4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done, then the disconnection date of the water supply may be taken as the date of termination or date on which a new connection is registered.

CHAPTER 7

SUNDRY TARIFF

1. All sundry tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
2. The following services shall be considered as subsidized services and an applicable tariff shall be paid for their intended use.
 - i. burials and cemeteries
 - ii. rentals for the use of municipal sports facilities
 - iii. municipal swimming pool
 - iv. municipal lending library
3. The following services shall be considered as community services, and no tariffs shall be levied for their use:

- i. municipal art gallery
 - ii. disposal of garden refuse at the municipal dump site
 - iii. municipal reference library
 - iv. municipal botanical garden, and all other parks and open spaces.
4. The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
- i. maintenance of graves and garden of remembrance (cremations)
 - ii. housing rentals
 - iii. rentals for the use of municipal halls and other premises (subject to the proviso set out below)
 - iv. building plan fees
 - v. sales of plastic refuse bags
 - vi. sales of refuse bins
 - vii. cleaning of stands
 - viii. electricity, water, sewerage: new connection fees
 - ix. sales of livestock and plants
 - x. photostat copies and fees
 - xi. clearance certificates.
 - xii. valuation certificates
 - xiii. tender documents
 - xiv. stadium events fees.
5. The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:
- i. fines for lost or overdue library books

- ii. advertising sign fees
 - iii. pound fees
 - iv. electricity, water: disconnection and reconnection fees
 - v. penalty and other charges imposed in terms of the approved policy on credit control and debt collection
 - vi. penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques and unpaid debit orders.
6. Market-related rentals shall be levied for the lease of municipal properties.
7. In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.
8. The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields and in so determining shall be guided by the likelihood of the Mbombela Local Municipality's sustaining damages as a result of the use of the facilities concerned.

LOCAL AUTHORITY NOTICE 136**CREDIT CONTROL AND DEBT COLLECTION BY-LAWS**

In terms of Section 13 of the Local Government: Municipal Systems Act 32 of 2000, the Mbombela Local Municipality ("the municipality") hereby publishes the Credit Control and Debt Collection by-laws set forth hereinafter, which have been made by the municipality in terms of Section 98 of the Local Government: Municipal Systems Act 32 of 2000.

INDEX**CHAPTER 1
GENERAL PROVISIONS****Section:**

1. Definitions
2. Purpose of By-law

**CHAPTER 2
CUSTOMER CARE AND MANAGEMENT**

3. Communication
4. Service Agreements

5. Screening
6. Accounts
7. Metering
8. Complaints and appeals
9. Customer assistance

CHAPTER 3

INDIGENT SUPPORT

10 - 25

CHAPTER 4

CREDIT CONTROL AND DEBT COLLECTION

26. Enforcement Mechanisms
 - (1) Water /electricity and other services
 - (2) Theft, Tampering & Fraud
 - (3) Collection costs
 - (4) Magistrate Court jurisdiction
 - (5) Irrecoverable debt
 - (6) Clearance certificates

CHAPTER 5

MISCELLANEOUS PROVISIONS

27. Offences
28. Commencement date

CHAPTER 1

GENERAL PROVISIONS

1. DEFINITIONS

- (1) For the purpose of this By-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act 32 of 2000 shall bear the meaning so assigned to it and, unless the context otherwise indicates:

“apparatus” means any equipment, tool, device, meter, connection, system or network, service connection, service protection device, articulation network or supply mains, part thereof supplied or used in the supply, distribution or conveyance of services or the measurement or consumption of services;

“authorized personnel” means any employee, agent, sub-contractor, or representative of a Service Provider or any person duly authorised by a Service Provider to perform any function under this By-law;

“debtor” means a person owing an amount of money to the municipality for a reason other than through the provision of municipal services;

“**charges**” means surcharges on fees, penalties, property rates, taxes, levies and duties;

“**community**” means persons who are obliged to pay for services and/or charges and include interested parties.

“**customer**” means the owner of any premises upon which charges are levied as well as a person to whom a Service Provider supplies with services, and the occupier thereof, where applicable;

“**council**” means the Council of the municipality;

“**household**” means the total number of people who occupy a property for residential purposes whether permanently or on a temporary basis, but excludes persons employed by the household;

“**indigent**” means a household who cannot afford to make a full monetary contribution towards charges and refuse removal services as determined by council;

“**interested parties**” means a coherent, social group of persons with interests or rights in a particular area of land which the members have or exercise communally in terms of an agreement, custom, law or interest;

“**the municipality**” means Mbombela Local Municipality, a municipality established in terms of the Local Government: Municipal Structures Act 117 of 1998.

“**occupier**” in relation to any premises means-

- a) any person in actual occupation of such premises;
- b) a person indicated as such in the service agreement;
- c) any person legally entitled to occupy such premises;
- d) in the case of such premises being subdivided and let to boarders or tenants, the person receiving the rent payable by such boarders or tenants, whether for his/her own account or as agent for any person entitled thereto or , or entitled to receive such rent;
- e) any person in charge of such premises or responsible for the management thereof, and includes the agent of any such person when he is absent from the Republic of South Africa or his/her whereabouts are unknown;
- f) any person appearing as such on the records of the Municipality.

“owner” means the owner of land in terms of the common law and includes:

- a) a lessee or other person who controls the land in question in terms of a contract, testamentary document, law or order of court;
- b) in relation to land controlled by a community, the executive body of the community in terms of its constitution or any law or custom;

- c) in relation to state land not controlled by a person contemplated in par (a) or a community –
- (i) the Minister of the Government department or the Member of the Executive Council of the provincial administration exercising control over that state land; or
 - (ii) a person authorised by him or her; and
- d) in relation to a local authority, the municipal manager of the local authority or a person authorised by him or her;

And “own” shall have a corresponding meaning

“**person**” includes a juristic person, voluntary association, trustee, curator and liquidator;

“**property**” means –

a) immovable property registered in the name of a person, and includes a unit as defined in section 1 of the Sectional Titles Act, 1986 (Act No. 95 of 1996); or

b) a right registered against immovable property in the name of a person; ,

And “**premises**” shall have a corresponding meaning.

“**reside**” means the occupation of residential purposes;

“services” mean the provision of municipal services, including water, electricity, sanitation, sewerage and refuse removal;

“ service contribution” means a contribution towards bulk services and facilities levied in terms of the Local Government Ordinance, No 17 of 1939, the Local Authorities Rating Ordinance, No 11 of 1977 and the Town-planning and Townships Ordinance, No 15 of 1986, as the case may be;

“service provider” means the Municipality as well as any entity who provides services to customers pursuant to a service delivery agreement entered into with the Municipality in terms of Section 80 of the Local Government: Municipal Systems Act 32 of 2000.

“sundry and housing accounts” mean an account where a person owes an amount to the municipality for a reason other than through the provision of municipal services;

“tamper” means the interference with, damage to, alteration of, connection to or removal of any apparatus and includes the consumption or use of any service not in accordance with this By-law.

- (2) Words derived from the words defined have corresponding meanings, unless the context indicates otherwise.
- (3) A reasonable interpretation of a provision which is consistent with the purpose of this By-law must be preferred over an alternative interpretation which is not.

- (4) If there is any contradiction or inconsistency between this By-law and the Drainage and Sanitation Services By-laws, the Water Services By-laws or the Electricity Supply By-laws, this By-law shall take preference.
- (5) Neither –
- (I) a reference to a duty to consult, nor
 - (II) the absence of any reference to a duty to consult
- in this By-law exempts a Service Provider or its authorised personnel to act fairly in respect of all persons entitled to be heard.

2. PURPOSE OF BY-LAW

The purpose of this By-law is to:

- (1) Ensure that all monies due and payable to a Service Provider are collected;
- (2) Outline the procedures that will ensure that the members of the community are afforded an opportunity to contribute in the decision-making processes of the municipality and that they are informed thereof;
- (3) Outline credit control and debt collection policy procedures and mechanisms;
- (4) Provide for conditions pertaining to the supply of services and the discontinuation thereof;
- (5) Provide for mechanisms whereby accounts or meter able services are queried or verified and for written objections;

- (6) To make provision for indigent support;
- (7) To provide for mechanisms where irrecoverable debt are written off;
- (8) To provide for penalties for non-compliance with this By-laws.

CHAPTER 2

GENERAL PROVISIONS

3. COMMUNITY PARTICIPATION IN BUDGETARY PROCESS

- (1) The municipality, through its Financial Committee, shall hold an annual budget meeting during January (to be called the first budget meeting) where budget priorities, principles and a budget framework will be considered.
- (2) Before the end of February of each year at least one public meeting shall be held where the local community and interest groups will be able to participate in the discussion and debating of budget priorities, budget principles and a budget framework.
- (3) At least 14 days notice shall be given of such public meeting by posting it on the designated notice board at the municipal offices and by publication thereof at least once in two local newspapers.
- (4) Before the end of March of each year a workshop shall be held in each ward, in order to:

- Identify the needs of each ward;
 - Involve the community in prioritising those needs;
 - Provide information regarding the budgetary process, levels of payment and non-payment and to devise strategies regarding non-payment;
- (5) Before the end of April:
- (I) A council workshop shall be held to reconcile the results of the first budget meeting, the public meeting and the ward workshops with council's integrated development plan.
 - (II) Council's mayoral committee shall create a draft budget.
- (6) Before the end of May of each year the draft budget shall be discussed at a second round of at least one public meeting, to be held and convened in the same manner as the first round of public meetings;
- (7) Council shall approve the final budget before the end of June of each year;
- (8) a. Council shall levy the fees, charges and tariffs in respect of services and charges by way of Council Resolution.
- b. The tariffs and charges so payable and the date of its implementation shall be published as prescribed in the Local Government: Municipal Systems Act No. 32 of 2000, as amended.

Such tariffs and charges may differentiate between different categories of customers, services and service standards as well as geographical areas.

- (9) The dates and procedure mentioned in this section are indicative only and are further subject to the financial and administrative capacity of the municipality.

4. SERVICE AGREEMENTS

- (1) No municipal services shall be provided to any property unless a written agreement governing the supply and cost thereof has been entered into with a Service Provider subject to its administrative, logistical and financial capability.
- (2) Such agreement shall be entered into by both the owner and occupier, where applicable. The owner shall bind himself/herself as surety and co- principal debtor in favour of the Service Provider for the fulfilment of the obligations of the occupier towards the Service Provider;
- (3) The owner and occupier shall be jointly and severally liable for payment of all municipal services and charges.

It is the duty of the owner to ensure that at all times that the occupier of the premises are not in arrears with payments, but the Municipality shall, where it is the Service Provider, and within financial and human resource constraints,

endeavour to inform the owner of the performance by the occupier in terms of the agreement.

- (5) A Service Provider may require that service applications for business entities, including but not limited to trusts, companies, close corporations, partnerships, sole proprietors and voluntary associations be accompanied by any one or more or all of the following:
- i. A resolution whereby authority to enter into the agreement is delegated to the signatory;
 - ii. The business entity's registration number or IT number, if applicable;
 - iii. The names, addresses and all relevant contact particulars of all the businesses' directors or members or trustees or proprietors or partners or executive members;
 - iv. That any one or more or all partners/members/directors/trustees must sign as surety and co-principal debtor for the due fulfilment of all the obligations of the business entity;
 - v. That the signatory to the agreement warrants that he/she is duly authorised to do so, that all information supplied is true and correct and shall further warrant that the business is not trading in insolvent circumstances.
- (6) Upon application for municipal services, and if so required by the Municipality, customers emanating from other municipalities shall

submit the particulars of the municipal account of such municipality and shall agree in writing that such other municipality may indicate whether all amounts due in respect of municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties have been paid by the customer. The municipality may refuse to render any municipal services to such customer in the event of the previous account not being fully paid up or arrangements with such other municipality have been made for the payment thereof.

- (7) In the agreement customers shall warrant that all information supplied are correct and that liability is accepted for all municipal services and charges, costs of collection and interest on overdue accounts in the event of accounts being in arrears;
- (8) The address furnished in the service agreement shall constitute the domicilium citandi et executandi of the customer for the purpose of service of any process, notice, document or account.
- 9) The municipality shall provide a customer with a copy of the service agreement upon signature thereof by the municipality;
- (10) The applicant for services may be referred for a credit check as contemplated in Sections 5 (1) – 5 (2) prior to signature thereof by the Service Provider. ;
- (11) The application for services will only become an agreement upon signature thereof by the Service Provider.

5 SCREENING

- (1) If required by a Service Provider, an application for service agreements shall be accompanied with banking details, previous municipal account, particulars of trade creditors , and an applicant shall give in the application for services permission and authority to the Service Provider to verify such information in order to assess the credit risk of the applicant;
- (2) Apart from the above, a Service Provider may also make the necessary enquiries with credit bureaus and similar institutions in order to assess the credit risk.

6. DEPOSITS

- (1) Prior to signature of a service agreement a security deposit shall be paid by the customer.
- (2) Such security deposit shall be paid either in cash or any other means of payment acceptable to the Service Provider. .
- (3) Security deposits may vary according to the credit risk of the customer as assessed by the Service Provider. ;
- (4) The municipality shall from time to time by resolution determine the criteria for the categories in terms whereof customers shall be graded as well as the amount of the deposit payable in each risk category, where the Municipality is the Service Provider.

- (5) The municipality shall only after consultation with the community periodically increase or decrease the deposits payable and date of implementation thereof, where it is the Service Provider.;
- (6) Upon termination of the service agreement the amount of the deposit less any outstanding amounts due will be refunded to the customer.
- (7) No interest shall be payable to the customer on deposits held by the municipality.

7. ACCOUNTS AND NOTIFICATION OF ADDRESS

- (1) In the absence of an agreement to the contrary, a Service Provider shall, within its administrative capacity and subject thereto, endeavour to render monthly accounts to the customer in respect of municipal services, and in the case of the Municipality, of charges.
- (2) Such accounts shall be posted to the address as indicated in the service agreement or to the address appearing in the records of the Service Provider as that of the customer, as the case may be.
- (3) It is the duty of the customer to ensure that accounts are received and payment effected notwithstanding the fact that it may not have been received. It shall be presumed unless proven otherwise that any such account has been timeously received by the customer.

- (4) In the absence to an agreement to the contrary, accounts shall be as nearly as practically possible to a period of 30 days, shall be produced in accordance with the meter reading cycle and due date shall be linked to the statement date.
- (5) Payment of an account shall be effected within 7 days of the statement date, but where the Municipality is the Service Provider, and in the event of monthly payment of charges, payment must be made on or before the 7th day of each month .
- (6) Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account, even where the customer is in dispute with a Service Provider regarding an amount due.
- (7) A customer shall inform a Service Provider in writing of any change of his/her postal and physical address within 7 days of date thereof, failure of which shall render the customer liable for all tracing costs and fees and wasted costs incurred as a result of such failure.
- (8) Every owner of property shall, within 60 (sixty) days after date of promulgation of this By-Law, inform the Municipality in writing of his/her postal and physical address and furthermore of any change thereof within 7 days of such change and every purchaser of property shall within 7 days after date of registration of that property into his/her name, inform the Municipality in writing of such fact and of his/her postal and physical address. Failure to do any of the above shall constitute an offence and such owner shall furthermore

be liable for all tracing fees and costs and wasted fees incurred as a result of such failure.

- (9) The address of a customer as it appears in the records of the Municipality shall constitute the domicilium citandi et executandi of the customer for the purpose of the service of any process, notice, document or account.
- (10) Where any payment is made to a Service Provider by negotiable instrument such as cheque or promissory note and is dishonoured, the Service Provider:
- (i) may recover the average bank charges incurred relating to dishonoured negotiable instruments and debit such amount against the account of the customer;
 - (ii) shall regard such an event as default on payment;
 - (iii) may refuse to accept further negotiable instruments from the drawer or customer;
 - (iv) may place such incident on the national adverse credit listing;
 - (v) and may institute legal action which may include criminal charges against the drawer.

- (11) When municipal services are discontinued and the customer applies for services at a different address, the Service Provider shall be entitled to debit the customer's new account with any outstanding amount and the customer shall be obliged to pay same.
- (12) The municipality shall, within its administrative capacity and subject thereto, where it is the Service Provider, ensure that customers will receive an understandable and accurate account consolidated with all municipal service costs and charges for that property, where applicable.
- (13) A Service Provider, if administratively possible, issues a duplicate account to a customer on request, against payment of the prescribed fee.
- (14) A Service Provider shall operate and maintain suitable banking and cash facilities which facilities must be reasonably accessible to all customers, subject to the municipality's administrative and financial capability of that Service Provider;
- (15) A Service Provider may allocate all payments received to any debit entry on the account and a customer who has overdue debt may not specify that the payment is for a specific portion of the account or for a specific service or charge;
- (16) A Service Provider may, with the consent of a customer, approach an employer to deduct an agreed amount from the employee's weekly or monthly wage/salary to pay towards arrear municipal accounts.
- (17) The use by the customer of agents to effect payment to the municipality is at the sole risk of the customer. The (customer shall

be liable for payment of all additional costs which is levied by the customer's agent.

8. METERING

- (1) A Service Provider shall provide, subject to practical and financial constraints, meters to all premises, for all meter able services;
- (2) In the absence of an agreement to the contrary, and subject to practical and financial constraints all meters will be read monthly. Where a meter has not been read the Service Provider must average the consumption by debiting the account with the average monthly reading for the preceding three months, if the history of the account is available. Where no such history exists, the customer shall pay an estimate provided by the Service Provider.
- (4) When a meter is replaced, the customer shall be informed thereof in writing;
- (5) In the event of a service being metered but cannot be read due to practical, financial or human resource constraints or circumstances out of the control of the Service Provider, and the customer is then charged for an average consumption as contemplated in paragraph 8.2, the account following the reading of the meter consumption shall articulate the difference between the actual consumption and the average consumption and the resulting credit or debit adjustment.
- (6) Every customer shall give an authorised representative of the a Service Provider access at all reasonable hours to the property in order to read, inspect, install, repair or replace any meter or service

connection for reticulation, or in order to disconnect, stop, restrict or reconnect the provision of any service;

- (7) In the event of access not being reasonably possible the Service Provider may relocate a meter and the customer shall be responsible for payment of the costs of such relocation;
- (8) In the event of reasonable access not being possible the Service Provider may:
 - (i) by written notice require the customer to restore access at his/her own cost within a specified period; or
 - (ii) restore access without prior notice and recover the costs thereof from the customer.

9. COMPLAINTS AND APPEALS

- (1) A Service Provider shall, within practical and financial constraints establish:
 - (i) a central complaints/feedback office;
 - (ii) a centralised database in order to enhance co-ordination of complaints and the resolution thereof as well as effective communication with customers;
- (2) A customer may lodge a written request with the Service Provider for recalculation of an account, or testing of a meter if such customer is of the opinion that the account rendered is inaccurate or such meter is defective.
- (3) Such a request must contain full personal and/or business particulars of the customer, the relevant account number, direct contact number, address and any other particulars required by the Service Provider.

- (4) Pending the outcome of the request, the customer must pay an amount equal to the average of the monthly total of the preceding three month's accounts where history of such an account is available. Where no such history is available the customer shall pay an estimate provided by the Service Provider, not later than the date due for payment thereof;
- (5) Failure to make interim payments as contemplated herein will render the customer liable for disconnection of the services.
- (6) Upon receipt of the request, the relevant Service Provider shall give a written acknowledgment thereof, investigate the matter and inform the customer in writing of the outcome of such investigation, and shall give reasons for its decision.
- (7) Any adjustment to the customer's account as a result of the investigation shall be made within one month.
- (8) Upon receipt of the decision of the Service Provider the customer may lodge an appeal against the decision by furnishing it, together with reasons, within 21 days after communication of the decision to the Service Provider, and in the case of the Municipality, to the municipal manager. The Service Provider or the municipal manager, as the case may be, shall commence with the appeal within six weeks and shall decide the appeal within a reasonable period. The decision of the Service Provider shall be final and it may proceed with credit control and debt collection measures provided for in this By-law after the customer has been notified of the outcome of the appeal
- (9) No dispute, enquiry or complaint will be reconsidered after the outcome thereof has been communicated to the customer.

- (10) If the customer is not satisfied with the outcome of the complaint, the customer must first pay the amount in dispute under protest before approaching a court of law for the necessary relief.
- (11) Under no circumstances may the payment of any amount be withheld as a result of any dispute or perceived dispute and the Service Provider may in such an event proceed with debt collection mechanisms as provided for in this By- Law.

10. CUSTOMER ASSISTANCE

(1) Incentives

- (i) A Service Provider may from time to time implement incentives to promote prompt payment of accounts.

(2) Rate rebate

- (i) Properties used exclusively for residential purposes may qualify for a property rate rebate as determined annually by the municipality by resolution subject to the following:
 - (a) only customers receiving old-age pensions or state disability grants are eligible for a rebate;
 - (b) application for a rebate must be made in writing annually to reach the chief financial officer on/or before 30th June;

- (c) The applicant must be the registered owner of and residing on the property;
- (d) The subletting of any portion of the premises, the taking in of boarders or tenants or any children or family members being employed and living on the property shall disqualify the applicant for a rebate;
- (e) The applicant should not own any other immovable property;
- (f) The property must be readily accessible to municipal staff for purpose of carrying of inspections during reasonable hours.

(3) Settlement arrangements

3.1 Notwithstanding any arrangement for payment as contemplated herein, a Service Provider may restrict and/or discontinue the provision of services as provided for in this By- Law.

3.2 A Service Provider may enter into an arrangement with a customer if such customer is unable to, on good cause shown, to pay his/her account, and may require that the customer shall:

- (a) sign an acknowledgement of debt;

- (b) sign consent to civil judgment;
- (c) consent to a garnishee order/emolument order/stop order (if he/she is in employment)
- (d) acknowledge that interest will be charged at the prescribed rate and in a manner determined by the Service Provider from time to time;
- (e) not fall into arrears with payment of the current portion of the account.
- (f) sign an acknowledgment that, if the arrangement is defaulted on, the full outstanding balance will then immediately become due and payable, that no further arrangements will be entered into and that disconnection of water and/or electricity will continue and that legal proceedings will be instituted for recovery of all arrear amounts and
- (g) the owner or his/her agent consents to such arrangement in writing.

3.3 In the event of a customer being in arrears pertaining to an account and seeking an arrangement for the payment thereof, the Service Provider may in its discretion convert the electricity meter to a prepayment meter and the cost of such conversion together with such arrears, shall be paid off either by:

- (a) adding it to the arrears account and repaying it over the period agreed upon; or
- (b) adding it as a surcharge to the prepaid electricity costs and repaying it within the agreed period with each purchase of services until the debt is liquidated.

3.4 The Service Provider may raise the security deposit payable in the event of an arrangement being sought or where a customer is in default in terms of such an arrangement;

3.5 The customer must prove levels of income, if the Service Provider requests same, and all arrangements shall be made subject to periodic review.

(4) Instalments

Customers and property developers will be given the opportunity to pay property rates and service contributions in instalments, as determined by the municipality from time to time subject thereto that such period shall not exceed 12 months.

(5) Tenders

It shall be a condition of the awarding of all tenders for the provision of services or delivery of goods that the tenderer, its directors, owners, trustees, members or partners have paid all accounts pertaining to each and every such tenderer, director, owner, trustee, member or partner or that suitable arrangements for

payment thereof have been made, which arrangement shall include the right to set-off in the event of non compliance of such arrangement.

CHAPTER 3

INDIGENT SUPPORT

10. The municipality shall render support to indigent owners of property, who, due to a number of socio-economic factors are unable to make a full monetary contribution towards services provided by the municipality;

11. For an owner to qualify to be indigent, such owner must comply with the following requirements:
 - (1) the applicant must be over 18 years of age;

 - (2) the total household income of all occupants must be less than an amount determined by the municipality, which amount shall be annually adjusted by the municipality;

 - (3) the applicant must have an active account with the municipality;

 - (4) the applicant may not own more than one immovable property.

 - (5) The applicant must reside on the property.

12. The applicant must apply on the prescribed application form only at service centres designated as such and situated within his/her respective area, together with the following documentary proof:

- (1) applicant's identity document;
 - (2) latest municipal account and proof of ownership;
 - (3) documentary proof of total monthly income of the household to the satisfaction of the municipality, including, but not limited to UIF card, salary advice, letter from an employer and bank statements.
 - (4) an affidavit to the effect that all the information supplied is true and correct and that the total income of the household from all sources has been declared;
 - (5) Recommendation by the applicant's ward councillor.
13. The municipality may appoint inspectors who shall be entitled to visit the applicant's premises in order to verify the correctness of the information provided in the application form, to record any changes in circumstances and make recommendations for approval, disapproval or disqualification of an application.
 14. The application together with the inspector's recommendation shall be submitted to an indigent committee. Such indigent committee shall be a sub-committee of the finance committee of the municipality;
 15. The indigent committee shall approve, disapprove or disqualify the application and in the event of an application being approved, determine the subsidy amount to be granted;
 16. The indigent committee's decision shall be final and binding;
 17. An applicant must reapply for indigent support on an annual basis;
 18. The reapplication for indigent support shall not be approved if the account pertaining to the use of water and/or electricity in excess of the free water and electricity consumption is not paid up to date;

19. The municipality shall inform all applicants in writing about the outcome of the application. In the event of the application being approved, the applicant shall be informed of the date of commencement and date of termination of the subsidy, with no guarantee of renewal;
20. An owner who receives indigent support shall immediately request the cessation of the subsidy if his/her circumstances have changed to the extent that he/she no longer complies with the requirements for indigent support.
21. Subsidies shall only be granted in respect of property rates and refuse removal. Water, sanitation and electricity consumption shall not be subsidised.
22. Indigent customers may be required to revert to prepayment meters. In such an event the municipality may, in its sole discretion decide that the cost thereof shall be met either by:
 - (1) a surcharge on the coupon cost;
 - (2) cash payment by the indigent customer; or
 - (3) be regarded as part of the subsidy grant.
23. The municipality may differentiate between the amount of subsidies granted and may categorise indigent customers into various categories, but may not unfairly discriminate against customers.
24. If an indigent customer's consumption or use of a municipal service is less than the subsidised service or free basic service the unused portion may not

be accrued by the customer and the customer shall not be entitled to cash or a rebate in respect of the unused portion.

25. Indigent support shall automatically terminate:

- (1) upon death of the indigent customer;
- (2) when the indigent customer disposes of his/her immovable property;
- (3) when the indigent customer's circumstances change or indigent criteria for approval changes to the extent that the indigent customer no longer qualifies for indigent support;
- (4) when the indigent customer no longer resides on the property
- (5) If an indigent customer fails to pay the account in excess of the subsidy service pertaining to water and/or electricity or fails to honour any arrangements made by him/her for payment of the outstanding account; and
- (6) It is discovered that the information supplied by the indigent customer was false, in which event all subsidies granted to the indigent customer shall reversed retrospectively.

CHAPTER 4

CREDIT CONTROL AND DEBT COLLECTION

26. ENFORCEMENT MECHANISMS

(1) Water/electricity and other services

- (i) If a municipal account is not paid on the due date shown on the account, and unless permission for deferment of a payment has been granted, a written warning of possible disconnection of water and/or electricity supply will be forwarded to the customer and in which notice the date of such disconnection shall be stipulated, which date shall not be less than 14 days, calculated from date of receipt of such notice.
- (ii) The customer will be deemed to have received such notice on the same day if delivered by hand, e-mail or telefax transmission, on the 3rd day after day of posting, if posted by ordinary mail and on the 4th day after date of posting, if posted by registered mail.
- (iii) A Service Provider shall be entitled to disconnect or restrict the supply of water and/or electricity without any further notice if payment in full had not been made on the date stipulated in the notice.

- (iv) upon disconnection of the supply of water and/or electricity, the Service Provider shall post a notice in a conspicuous place on the property wherein the customer is informed that the supply has been disconnected, that all electric points should be considered live and that all water outlets should be closed. The said notice shall also advise that the supply will only be reconnected upon payment of the total amount specified in the notice together with the prescribed reconnection fee. Such notice shall also warn the customer of the consequences of unauthorised reconnection or use.
- (v) Business entities shall not have the option to make arrangements for deferred payment but shall be obliged to pay all arrears and prescribed fees before services will be restored.
- (vi) the Service Provider shall restore services within a reasonable time after submission of proof of payment of the required amount, subject to logistical capacity. Services shall only be restored during official business hours except in instances deemed to be emergencies, and an additional after-hours fee shall then be charged.
- (vii) In the event of a customer being in arrears with property rates or any other municipal charges, the municipality shall have the right to deny or to restrict the sale and supply of electricity or water, where the Municipality is the Service Provider.

(viii) The cost of restriction or disconnection and reconnection of services shall be determined by the municipality from time to time, and such costs shall be paid by the customer.

(2) Rates, charges and levies

It shall constitute an offence if charges are not paid on due date as stipulated on the account.

(2.1) Annual rates and other annual levies

- (i) If the account is not paid by due date as indicated on the account, a letter of demand shall be forwarded to the customer showing the total amount owed to the municipality and requesting the customer to pay the full amount owing within a prescribed period which shall not be less than 14 days after date of receipt of the notice.
- (ii) The customer will be deemed to have received such notice on the same day if delivered by hand, e-mail or telefax transmission, on the 3rd day after date of posting if posted by ordinary mail and on the 4th day after date of posting if posted by registered mail.
- (iii) If such notice is posted, it shall constitute due notice if forwarded to the postal address supplied by the customer in the service agreement.

- (iv) If the account has not been settled or acceptable arrangements have been made on or the date mentioned in the letter of demand, the municipality may issue summons and the due legal process as contemplated herein shall be followed.
- (v) Where the arrear rates is in respect of a municipal property sold by the municipality in terms of a suspensive sale agreement or lease agreement, the collection thereof may be done in terms of the Deed of Sale, lease agreement or any subsequent applicable written agreement between the municipality and the customer.

(2.2) Monthly rates

- (i) Interest will be charged on overdue accounts at an interest rate that shall be determined by the municipality from time to time by resolution;
- (ii) If the customer's account is in arrears for a period of 30 days or more, a letter of demand shall be forwarded to a customer, demanding payment of the arrear amount, and in which notice the amount is stipulated and the date for payment thereof is indicated, which date shall not be less than 14 days after date of dispatch of the said notice;
- (iii) The customer shall be deemed to have received the notice on the same day if delivered by hand, e-mail or telefax transmission, on the 3rd day after date of posting if

posted by ordinary mail and on the 4th day after date of posting if posted by registered mail;

- (iv) If such notice is posted, it shall constitute due notice if forwarded to the postal address supplied by the customer in the service agreement.
- (v) Should a customer fail to pay the arrears on the due date stipulated in the notice, the full outstanding balance of the annual rates shall immediately become due and payable and the municipality shall then be entitled to institute legal action for the recovery thereof.
- (V1) The provisions of section 26 (2.1) (v) shall be mutatis mutandis applicable to this par. (2.2).

(3) Sundry and housing accounts

- (i) If a debtor's account is in arrears for a period of 30 days or more, a letter of demand shall be forwarded to a debtor, demanding payment of the arrear amount, and in which notice the amount is stipulated and the date for payment thereof is indicated, which date shall not be less than 14 days after date of dispatch of the said notice;
- (ii) The debtor will be deemed to have received a notice on the same day if delivered by hand, e-mail or telefax transmission, on the 3rd day after date of posting if posted by ordinary mail and on the 4th day after date of posting if posted by registered mail.

- (iii) The municipality may thereafter institute legal action for recovery of the amount owing.
- (iv) Property purchased from the municipality sold by a suspensive sale agreement shall be repossessed in terms of the written agreement between the debtor and the municipality if payment of the purchase price is in arrears for more than 30 days.
- (v) Once a property has been repossessed, the debtor will not be eligible for reinstatement of the agreement and may not purchase any other property from the municipality by way of suspensive sale agreement.

(5) Interest on overdue accounts

Interest will be charged on all accounts not paid by due date in accordance with applicable legislation and as determined by the Service Provider from time to time. Such interest will be levied and capitalised monthly in arrears on the monthly outstanding balance from due date and will be calculated for a full month irrespective of when payment is made. Such interest charged shall appear on the following month's account.

(6) Legal process

- (i) Where the service of outside parties are utilized for debt collection, inclusive of debt collection agencies and/or attorneys, such entities shall comply with such code of conduct as may be prescribed by their respective professional bodies.
- (ii) A Service Provider may release the credit information regarding a customer's account to credit bureaus or any other statutory institution as may be lawfully entitled to it. Apart from the above, such information shall remain confidential and may not be released or divulged to any person or entity without the prior written consent of the customer.
- (iii) A customer's particulars shall only be removed from an adverse credit listing after payment of the full account outstanding together with interest and penalties as prescribed has been paid by means of cash or a bank guaranteed cheque.
- (iv) In the case of default judgments entered into against a customer or debtor, such customer or debtor shall at his/her own cost appoint an attorney to rescind the judgment and the Service Provider shall not oppose same, on condition that the full outstanding balance of the account together with interest and other charges as prescribed have been paid.

(7) Theft, tampering and fraud

- (1) No person shall in any manner or for any reason whatsoever tamper or interferes with any apparatus;
- (2) A Service Provider shall have the right to immediately terminate the supply of services of a customer where prima facie evidence of tampering, theft or wilful damage to any apparatus, without prior notice to the customer;
- (3) In cases where the tampering has resulted in the meter recording less than the true consumption, the Service Provider shall have the right to recover from the customer the full cost of his/her estimated consumption;
- (4) The total amount owing, including interest, charges, assessment of unauthorised consumption, damages and discontinuation and reconnection fees as well as increased deposits as determined by the Service Provider, if applicable, shall be due and payable before any service shall be reconnected;
- (5) No person shall fail to provide information reasonably required regarding investigation into or enquiries in connection with tampering, theft or wilful damage to property of a Service Provider or used in connection with the provision of services or provide false information in connection therewith;

- (6) A Service Provider may, where prima facie evidence exists regarding the withholding of information or provision of false information, immediately and without notice to the customer disconnect or restrict services and the provision of this paragraph regarding the reconnection of services shall mutatis mutandis apply;

(8) Cost of collection

All costs and charges, interest, administration and collection costs, all penalties, surcharges, damages, service discontinuation and reconnection costs, assessment costs and all legal costs, fees and disbursements incurred in the collection of a debt shall be for the account of the customer or debtor as the case may be and the customer or debtor as the case may be shall be liable to pay legal costs on an attorney and client basis.

(9) Magistrate Court jurisdiction

The Magistrate's Court shall have jurisdiction to adjudicate any action, notice of motion or application in terms of this By-law, notwithstanding the amount involved.

(10) Irrecoverable debt

- (1) The municipality, in the case of charges due or where it is the Service Provider, shall only abandon recovery of a debt owed to it in one or more of the following circumstances:

-
- (i) Insolvency or demise of the customer or debtor as the case may be, if proven that his or her estate has insufficient funds to make payment;
 - (ii) A balance being too small to recover for economic reasons considering the costs of recovery;
 - (iii) where the claim has become prescribed;
 - (iv) when the customer or debtor as the case may be relocate and three tracing agents are unable to trace the current whereabouts of such person;
 - (v) All reasonable notifications and cost-effective legal avenues to recover the outstanding amount have been exhausted.
 - (vi) The amount outstanding is the residue of the payment of a dividend from an insolvent estate or where there is a danger of contribution in proving a claim against the insolvent estate.
 - (vii) If the debt outstanding cannot be proved;
 - (viii) The outstanding amount is due to an administrative error by the municipality.
 - (ix) by Council resolution on good cause shown. .
- (2) Notwithstanding the above the municipality shall be under no obligation to write off any particular debt.

CHAPTER 5

MISCELLANEOUS PROVISIONS

27 OFFENCES

- (1) Any person contravening or failing to comply with any provision of Sections 5(3) and Section 26(8) of this By-law shall be guilty of an offence and liable on conviction to a fine not exceeding R40 000,00, or in default of payment, to imprisonment for a period not exceeding 2 years.
- (2) Any person who contravenes or fails to comply with any other provision of these By-laws or who remain to be in default in complying therewith shall be guilty of an offence and shall be liable, on first conviction, to a fine not exceeding R10 000,00, or in default of payment to imprisonment for a period not exceeding 6 months, and on any subsequent conviction to a fine not exceeding R20 000,00, or in default of payment, to imprisonment for a period not exceeding 12 months.
- (3) Any person who fails to comply in any respect with any notice served on him by the municipality in terms of these By-laws directing him to do or not to do anything, shall be guilty of an offence and shall in addition be guilty of a further offence for every day or part of a day during which non-compliance continues and shall be liable in respect of each offence as aforesaid to a fine not exceeding R375,00 or in default of payment, to imprisonment for a period not exceeding 7 days for each day of contravention.

28 COMMENCEMENT DATE

These By-laws take effect on the date of proclamation in the Provincial Gazette